UNITED STATES
POSTAL SERVICE

MTAC
Mail Prep & Entry Focus Group

May 15, 2013

UNITED STATES
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MTAC
Mail Prep & Entry Focus Group
Standard Track

May 15, 2013

Agenda

- Standard Track
  - Action Items from Last Meeting
  - Engineering Technology Update
  - Workgroup Updates
  - MTEOR Update
  - Mail Prep & Entry Steering Committee Update
  - Network Rationalization Open Discussion
  - Open Discussion

Action Items

- Action Items from Last Meeting
  - Deleted the end mail induction date from the structured release schedule posted on RIBBS
  - Verify FSS notation and location information on 8125
  - Launch workgroup on impacts of service standard changes and service delivery calculation
  - Evaluate FAST appointments – field is reducing/eliminating acceptance hours during holidays
  - Webinar on FSS Move Plan
  - Launch MTEOR User Group
  - Update on Flats Strategy

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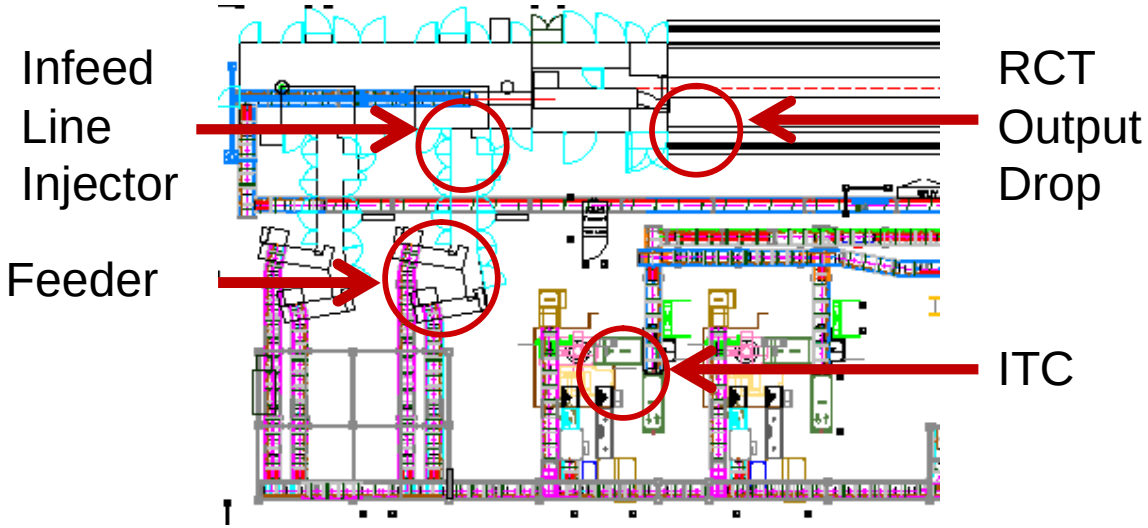
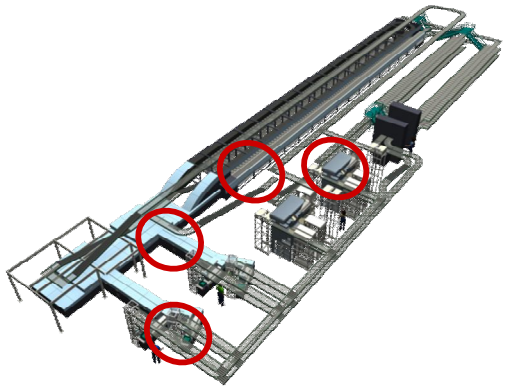
Engineering Technology Update

FSS Mail Study

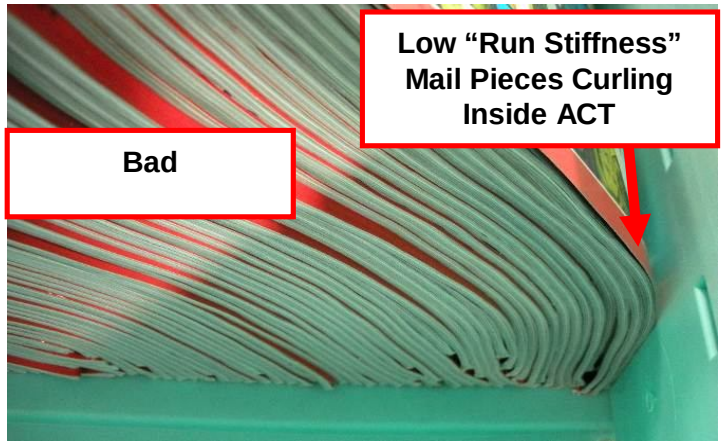
- **Committed to improving FSS handling of flat mail**
- **Mail characteristics trend towards lighter and thinner mailings**
- **Extensive studies on mail damage resulted in 4 areas of focus**
  - **Feeders (4 per system)**
  - **Infeed Line Injectors (2 per system)**
  - **RCT Output Drops (360 per system)**
  - **ITCs (2 per system)**
- **Next slides demonstrate how mail (with low "run stiffness") can be damaged**

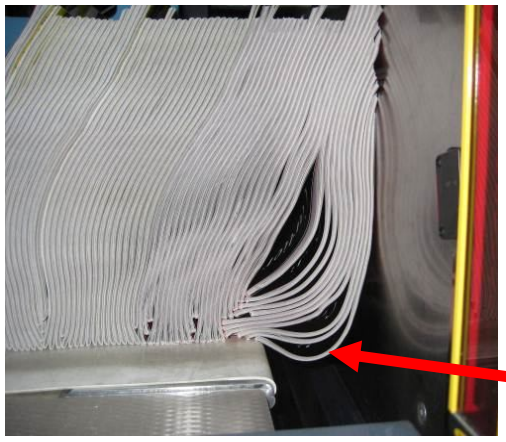




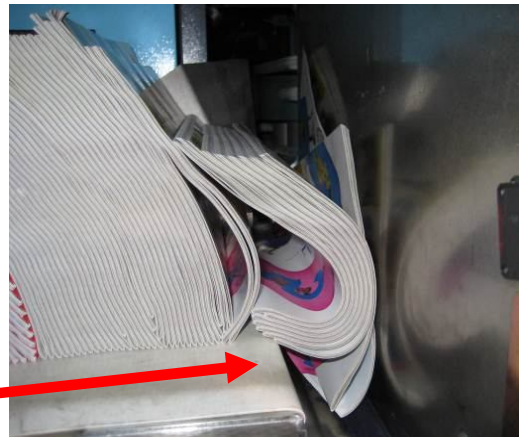
FSS Mail Study

- **Mail prepped into ACT at SAMP**



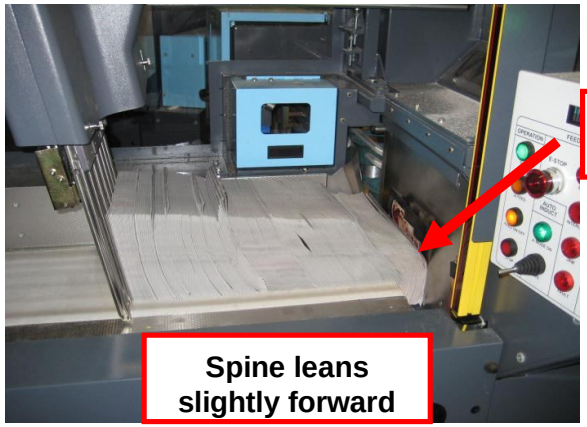


Low “Run Stiffness” Mail Pieces Curling at the Feeder

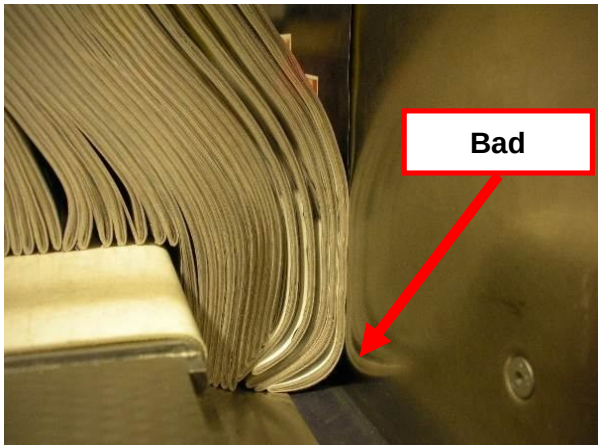


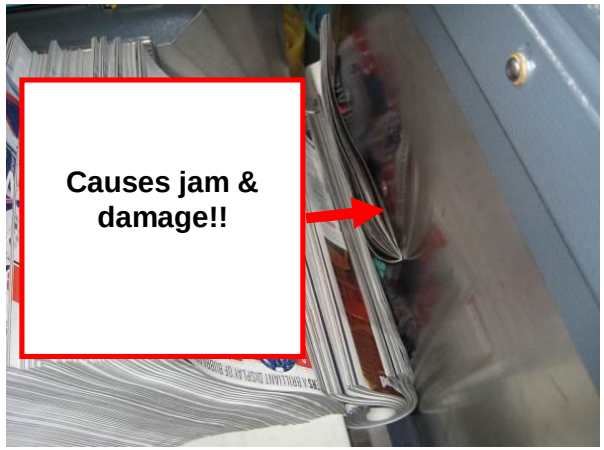
FSS Mail Study

- **Feeders**
  - **Low "Run Stiffness" Mail Pieces Curling at Feeder**
    - **Cause torn covers when fed or mail damage when jam is removed**
  - **Stack Management & Stack Angle Very Critical**



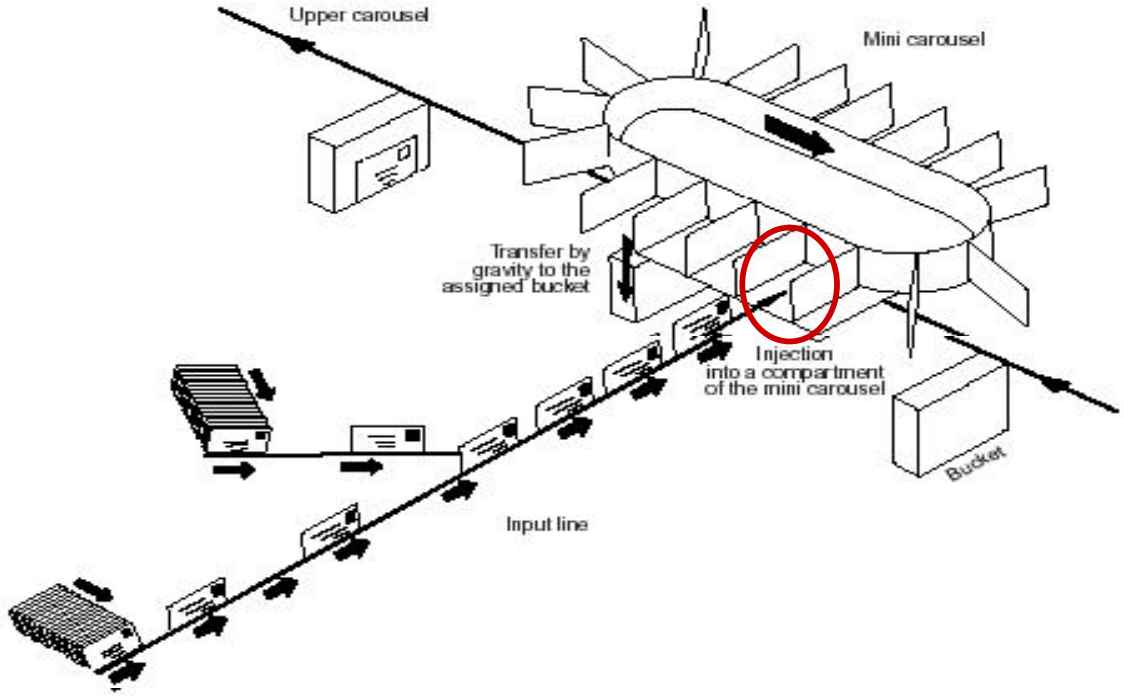
Good

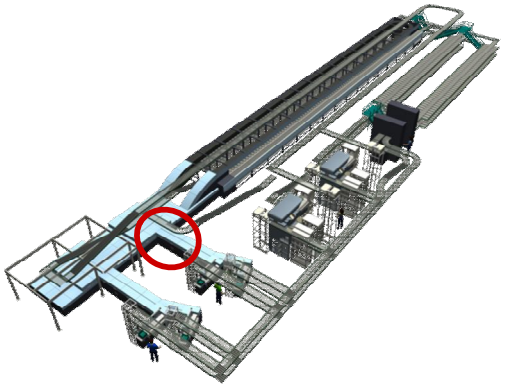


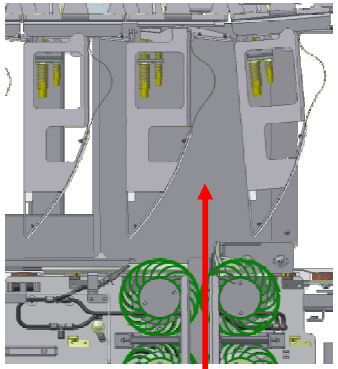


FSS Mail Study

- **Infeed Line Injector**
  - **Low "Run Stiffness" Mail Pieces Curling at Mini-Carousel**
  - **Tends to flip over as the mail pieces transfer to the Carousel Bucket**
  - **Flipped mail pieces can be trapped in Bucket or cause mail damage downstream**

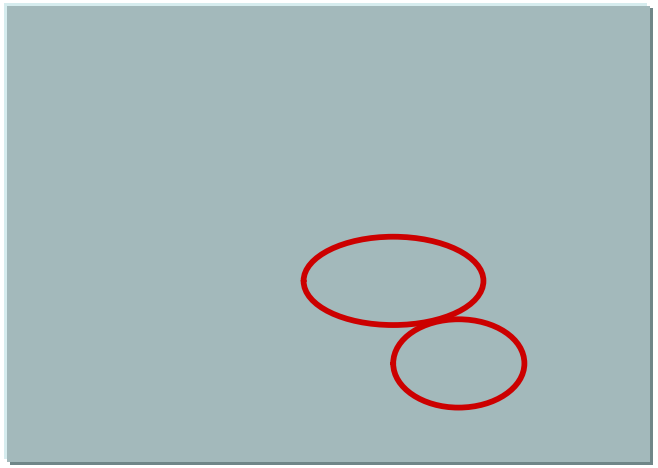


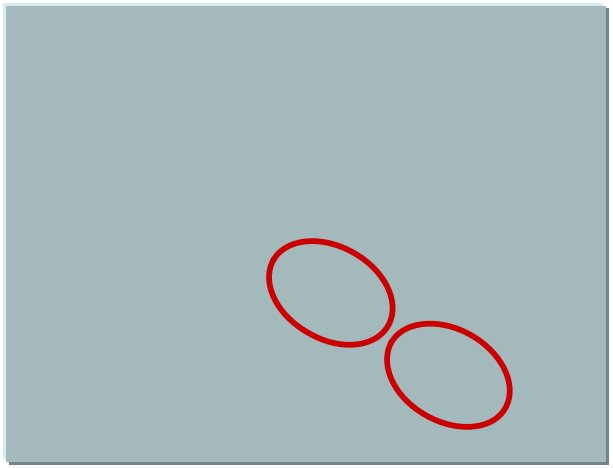


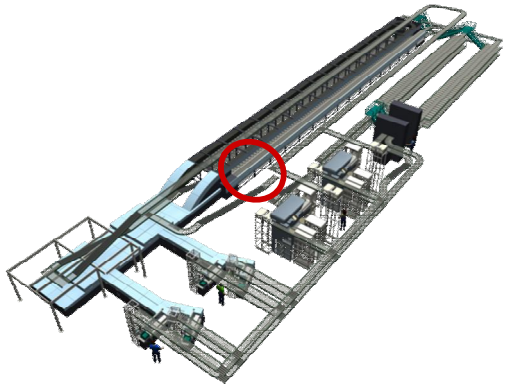


FSS Mail Study

- **RCT Output Drops**
  - **Low “Run Stiffness” Mail Pieces tend to flip (mis-faced) – resulting from Injection**
  - **Low “Run Stiffness” Mail Pieces tend to curl – causes problem downstream**
  - **Mail Pieces with light cover tend to have cover folded over (fold-overs)**
  - **Mail Pieces can have nested pieces (one mail piece inside another mail piece)**
  - **Cover fold-overs or mail piece fold-overs cause problems with follow-on pieces**
    - **Acts like a spring , causing stacking problems for next several pieces**

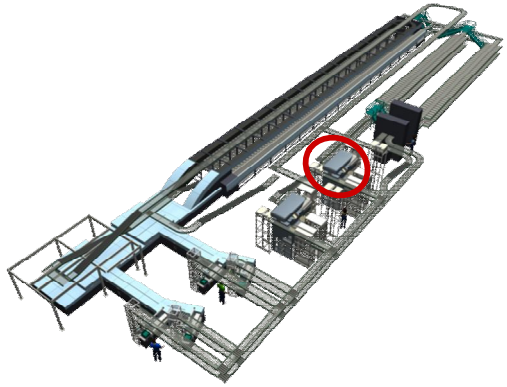




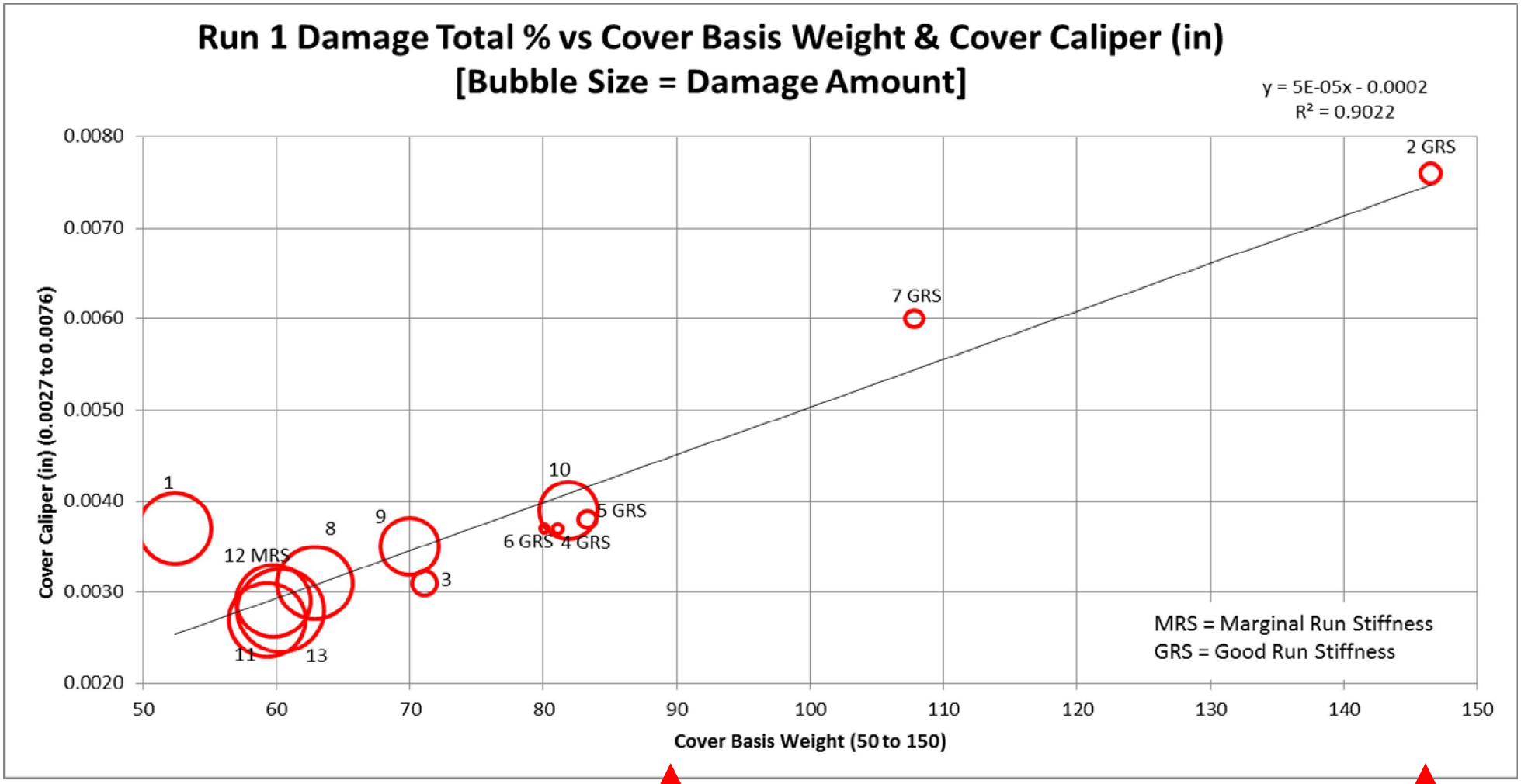


FSS Mail Study

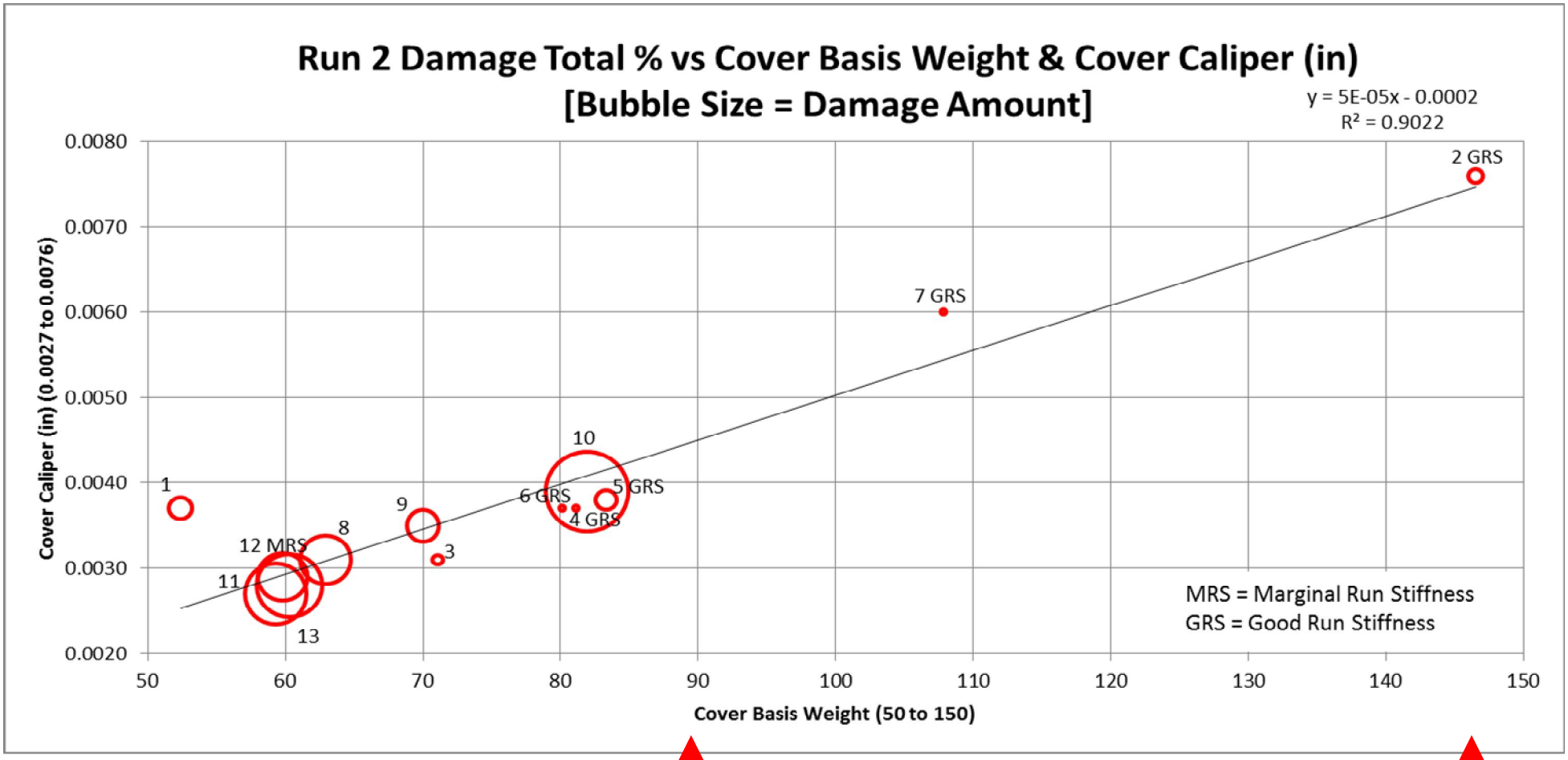
- **ITC**
  - **Flipped Mail Pieces can be torn if separated by bottom tines (as tines come up)**
  - **Curled Mail Pieces can be ejected (flyouts) or torn by bottom tines**
  - **Poor Separation can cause flyouts and damage (tear) from upper tines (go down)**
  - **Separation is needed to gain max fill level for trays for downstream operations**
  - **Green Separation Belts (4) on ledge is very critical for proper separation**



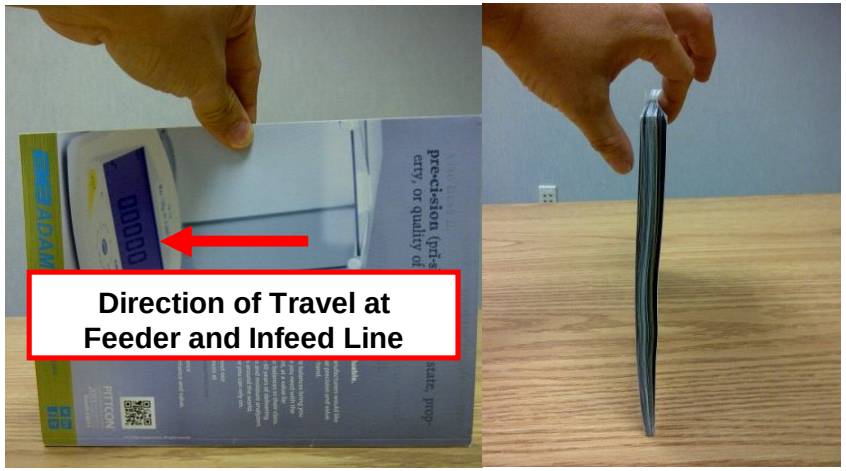
FSS Mail Study



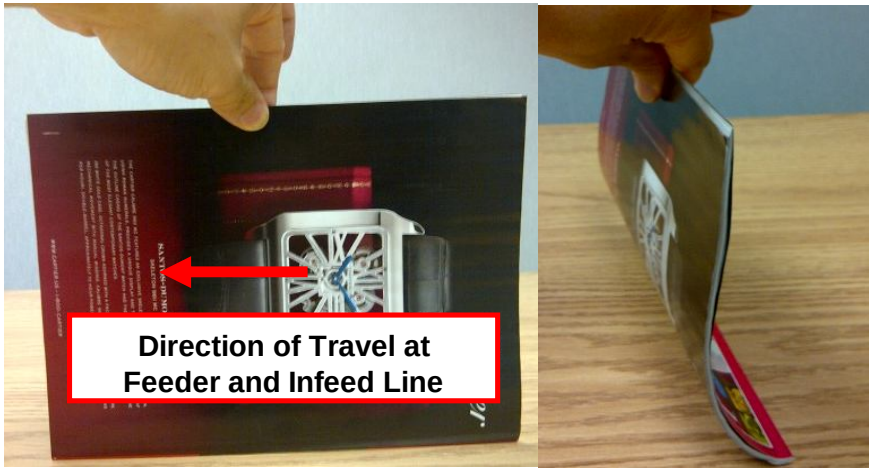
FSS Mail Study



- **Refining Characteristics of a "Perfect Flat"**
  - Add "Run Stiffness" Recommendation
    - Set mail piece along its bound edge on flat surface
    - Pinch with thumb and index finger at the middle of the open edge
    - Remove thumb and have mail piece rest on index finger
    - If mail piece can support its own weight, then it has Good Run Stiffness
    - If mail piece buckles or curls, then it has Low Run Stiffness



Good Run Stiffness



Low Run Stiffness

- **Refining Characteristics of a "Perfect Flat"**
  - Basis Weight
    - Recommendation: Use a cover made of paper with a higher basis weight than the paper used for the body of a flat-size mail piece, except for very thin flats. Consider the grade of cover stock and the coating when determining durability, especially on heavier saddle-stitched flats. Also, consider using **cover stock between 50 and 80 pounds**, particularly on flats weighing more than 6 ounces
    - Reason: Cover stock that is not durable or heavy enough increases the likelihood that the cover will separate from the content during processing
    - Basis Weight **Cover Stock between 50 and 80 lbs.**
      - Approximately equivalent to Basis Weight 90 to 146 lbs. Offset Paper
        - Offset Paper typically used today for cover page

FSS Mail Study - Improvements

- **FSS SW v3.0.8 - Dynamic Separation Lite – deployed Dec 2012**
  - Reduces number of separations by 75%; reduce flyouts (>60%) and mail damage from “Separating Fingers” at the ITC Separation
- **ITC Unload of RCT**
  - New Separation Belts planned for **Summer 2013**
  - Testing additional sensors at ITC to stop device if mail can be damaged
  - Experimenting with different unload motion profile to improve mail handling
- **Mail Stack Quality at Feeder – by Fall Mailing 2013**
  - Adding 3 HW mods and 3 SW changes at feeder to better control stack quality and have gentler pick off of Low “Run Stiffness” Mail
- **Infeed Line Injector – by Fall Mailing 2013**
  - Adding 2 HW mods & 2 SW changes at Infeed Line for better injection into Carousel of Low “Run Stiffness” Mail to minimize flipped mail
- **Mail Stack Quality at RCT Output Tray – Ready in 2014**
  - Testing prototype insert for improve mail stack of Low “Run Stiffness” Mail

APPS Singulation Enhancement

- **Current status**
  - Design - completed
  - Drawings - completed
  - Parts - ordered & received
  - Mockup of the APPS Singulator – built
  - 4 of 16 parts fabricated

- **Next steps**
  - Finish fabrication – May
  - Assemble onto mockup – June
  - Adjust design – June
  - Assemble onto Production APPS machine – July
  - Test – July
  - Generate install manual and Finalize - July
  - Start building production quantities – August
  - Start shipping/installing – September through November

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Workgroup Updates

Workgroup Updates

- WG 155 – Communication processes and procedures during emergency situations
- WG 156 – Utilizing the Mail Optimization Matrix (MOP)
- WG 157 – Load Leveling
- UG 7 – MTEOR

Communication processes and procedures during emergency situations

Results:

- Workgroup is wrapping up & finalizing Final Report
- Reporting out in MTAC Open Session May 15, 2013
- Group had 55 participants throughout process
- Look for an updated Mail Service Update page in the future

Utilizing the MOP to identify and organize improvement opportunities

The purpose of the work group is to utilize the Mail Optimization Matrix (MOP) to identify and organize improvement opportunities for all shapes of mail with collaboration from industry and USPS. Additionally, the goal is to identify changes that would create efficiencies, reduced costs, and improve cycle time around creation, processing and delivery of mail pieces.

The workgroup consists of three subgroups: flats, letters and parcels. Each group will develop multiple MOPs based on mail flows and mail sort levels.

Primary Benefits:

•Create efficiencies : Identify opportunities to create efficiencies within mail flows by looking at preparation, drop locations, processing flows and MTE flows.

•Reduce costs: Identify ways to remove costs from the end-to-end mail flows for mailers, printers, and processors.

•Reduce cycle time: Identify opportunities to reduce and standardize cycle time by identifying non-value added steps within mail flows.

Primary Subgroups:

•Letters: Focus on mail flows of concern within letter mail, such as first class single piece commercial and 3-digit vs. SCF trays.

•Flats: Focus on mail flows of concern within flat mail, such as DSCF carrier route bundles and FSS bundles.

•Parcels: Focus on mail flows of concern within parcel mail, such as DNDC parcel drops.

Mailflow OPtimization Matrix (MOP) - DSCF STD Letters

		OPTIMIZATION OBJECTIVES		
	Objective -->	MINIMIZE CONTAINER HANDLINGS	MINIMIZE TRAY HANDLINGS	MINIMIZE PIECE HANDLINGS
	Vehicle -->			
FUNCTIONAL AREA OF SUPPLY CHAIN	1. Mailing Standards / BMA		(1) Co-palletization of logical trays in letter shops - based on SPPS	
	2. Prep Rules / Parameters	(1) Ensure label lists align with processing locations		1) Enter carrier routed mail directly into 2nd pass of DPS
	3. Price Signals within existing Structure			
	4. Price Signals within new Structure			
	5. Mail Processing / Ops	(1) Ensure label lists align with processing locations		
	6. USPS Technical / Systems			1) Enter carrier routed mail directly into 2nd pass of DPS
	7. Industry			

Mailflow OPtimization Matrix (MOP) - Flats / DPS

		OPTIMIZATION OBJECTIVES		
	Objective -->	MINIMIZE CONTAINER HANDLINGS	MINIMIZE BUNDLE HANDLINGS	MINIMIZE PIECE HANDLINGS
	Vehicle -->	1. Increase FSS Facility Entry	2. Increase DPS/FSS Pallet Prep	3. Increase DPS Bundle Prep
FUNCTIONAL AREA OF SUPPLY CHAIN	1. Mailing Standards / BMA		(1) Change max # pallets printers can stack when loading (2) Make FSS Container Prep Required (3) Remove option to place FSS bundles on non FSS pallets	(1) Make FSS Bundle Prep Required (2) Make FSS Container Prep Required (APPS = Breakage) (3) Change STD 16oz max to align with PER Mach weight (4) Create alt. CRRT bundle prep without LOT requirement
	2. Prep Rules / Parameters	(1) Node based Presort	(1) lower pallet weight min for all Dest. Entered pallets (2) Change PER/STD mixed class comail prep rules to better incent action (3) re-optimize container prep rules for AFP process (4) node based presort	(1) Require non-compensated bundles (2) Change PER/STD mixed class comail prep rules to better incent adoption (3) Node Based Presort
	3. Price Signals within existing Structure	(1) Increase Dest entered Pound Price incentive (2) Increase Destination entered pallet Incentive (3) Decrease Non Dest. Entered pound Incentive (ad & edit)	(1) Inscrease Dest. Entered FSS Scheme Pallet incentive (2) Increase Dest Entered FSS Facility Pallet incentvie (3) Lower CRRT Bundle / 5D pallet price	
	4. Price Signals within new Structure	(1) Change STD to match PER (non ECSI related) (2) Create PER Zoned edit rate	(1) Change STD to match PER (non ECSI related) (2) Create FSS Bunlde Price that incents prep (cost based) (3) Create FSS Container Price that incents prep (cost based) (4) Create incentive for Svc Providers to increase comail	(1) Change STD to match PER (non ECSI related) (2) Create FSS Piece rate that incents prep (cost based) (3) Create incentive for service providers to increase DPV% (4) Create incentive for Svc Providers to increase comail
	5. Mail Processing / Ops	(1) Implement "DPS Prep" in FSS sites that have no bundle processing. (2) Increase Destination Facility Density (NetRat) (3) Implement AFP in NDCs to bypass ADCs downstream	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Implement AFP in NDCs to bypass ADCs downstream (3) Ensure MTE inventory meets varying demand	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Expand DPS by redeploying FSS machines (3) Expand DPS by adding new FSS capabilities (4) Expand DPS new technology (FSS2, OMS, XMS) (5) Improve APPS bundle handling to minimize bundle breakage (induction & singlation)
	6. USPS Technical / Systems	(1) Enable mail direction to direct mail by container prep (2) Shape Based Label List	(1) Enable mail direction to direct mail by container prep	(1) Increase DVP% with new process & technology
	7. Industry	(1) Lower pallet minimum parameters in presort (2) Increase comail capacity (3) Lower transportation costs (4) Lower fuel costs	(1) Minimize # of bundles by maxing prep parameters & Strengthening packaging (2) Increase comail capacity	(1) Increase DVP% with new process & technology (2) Miminize unreadable barcodes (3) Improve packaging strength

Mailflow OPtimization Matrix (MOP) - Flats / Carrier Route Flow

		OPTIMIZATION OBJECTIVES			
	Objective -->	MINIMIZE CONTAINER HANDLINGS		MINIMIZE BUNDLE HANDLINGS	MINIMIZE PIECE HANDLINGS
	Vehicle -->	1. Increase DSCF/DADC Entry	2. Incr DDU Entry	2. Increase CRRT/5D Pallet Prep	3. Increase CRRT Bundle Prep
FUNCTIONAL AREA OF SUPPLY CHAIN	1. Mailing Standards / BMA			(1) Change max # pallets printers can stack when loading (4)	(I) Change PER 20oz mach rule to align with AFSM capabilities. (2) Change PER 20oz Mach. Rule for FSS copies to align with FSS capabilities (3) Change STD 16oz max to align with PER Mach weight
	2. Prep Rules / Parameters	(1) Eliminate all preps finer than SCF but MXD CRRT/5D (2) Create CRRT/SCF pallet prep (3) Adjust presort logic order of container levels (4) Node based presort		(1) lower pallet weight min for all Dest. Entered pallets (2) node based presort (3) Eliminate 95/5 rule on 5D Scheme (4) Create new MXD CRRT bundles (New OEL needed)	(1) Lower CRRT Min for both PER and STD (2) Change PER/STD mixed class comail prep rules to better incent action (3) Node Based Presort (4) Add CRRT # in 5D address label
	3. Price Signals within existing Structure	(1) Increase Dest entered Pound Price incentive (2) Increase Destination entered pallet Incentive (3) Align Container prices with new preps above. (4) Decrease Non Dest. Entered pound Incentive (ad & edit) (5) Increase container passthrough (incr delta)		(1) Inscrease Dest. Entered CRRT/5D pallet incentive (green pallet) (2) Increase all other Dest. entered pallet prep incentive (3) Increase CRRT Bundle / CRRT_5D pallet incentive (green pallet) maybe schm 5D pallet as well (4) Increase all other bundle prep on Dest. Pallets (5) Decrease incentive for all sack preps (6) Create incentive to make larger/fewer bundles (pass through)	(1) Increase CRRT Delta between CRRT & 5D Piece Rate
	4. Price Signals within new Structure	(1) Change STD to match PER (non ECSI related) (2) Create PER Zoned edit rate (3) Create zone pound rates for STD (4) High Density CRRT incentive		(1) Change STD to match PER (non ECSI related) (2) Create new pallet price for 100% CRRT pallet (3) Create new bundle price for bundles on CRRT/5D pallet	(1) Change STD to match PER (non ECSI related) (2) Create incentive for Svc Providers to increase Comail (3) Create incentive for service providers to increase DPV%
	5. Mail Processing / Ops	(1) Increase Destination Facility Density (NetRat)		(1) Ensure MTE inventory meets varying demand (2) Improve APPS bundle handling to minimize bundle breakage (3) Improve APBS bundle handling to minimize bundle breakage (4) Implement AFP in NDCs to bypass ADCs downstream	(1) Improve APPS bundle handling to minimize bundle (2) Improve APBS bundle handling to minimize bundle (4) Implement "AFP" to min bundle breakage
	6. USPS Technical / Systems	(1) Enable mail direction to direct mail by container prep (2) Create Shape / Class Based Label List			(1) Increase DPV% with new process & technology
	7. Industry	(1) Increase comail capacity (2) Lower transportation costs (3) Lower fuel costs		(1) Minimize bundles by maxing prep parameters (2) Lower pallet minimum parameters in presort (3) Increase comail capacity	(1) Increase comail capcity / flexibility (2) Increase DVP% with new process & technology (3) Miminize unreadable barcodes (4) Stengthening packaging of bundles

Load Leveling

The purpose of the group is to review current processes for load leveling of volumes across days of week. The group will strategize on future initiatives that would meet the objectives of load leveling volumes and analyze future possible initiatives in a cost/benefit format to provide viable recommendations to the postal service.

Co-Leaders: Industry: Dale Miller USPS: Linda Malone

Desired Results:

1. Develop strategies that would facilitate the load leveling of volumes across days of the week. Include present state and future state scenarios.
2. Model the impact of each strategy on the mail owners, software vendors, logistics and transportation providers, USPS operations and mail entry.
3. Evaluate strategies for potential adoption and implementation.
4. Recommend and/or establish guidelines for the consistent and predictable collection and dissemination of information, including updates for stakeholders.
5. Gain a clearer understanding of stakeholder's expectations.
6. Identify/define potential technical or process changes that are needed by the mailing industry to accommodate the potential impact of load leveling.

MTEOR

The purpose of the user group is to identify and recommend opportunities for future enhancements to the MTEOR program.

Co-Leaders: TBD USPS: Nancy Paradice

Desired Results:

1.Gain an understanding of any MTEOR program constraints and ease of use issues through the user perspective.

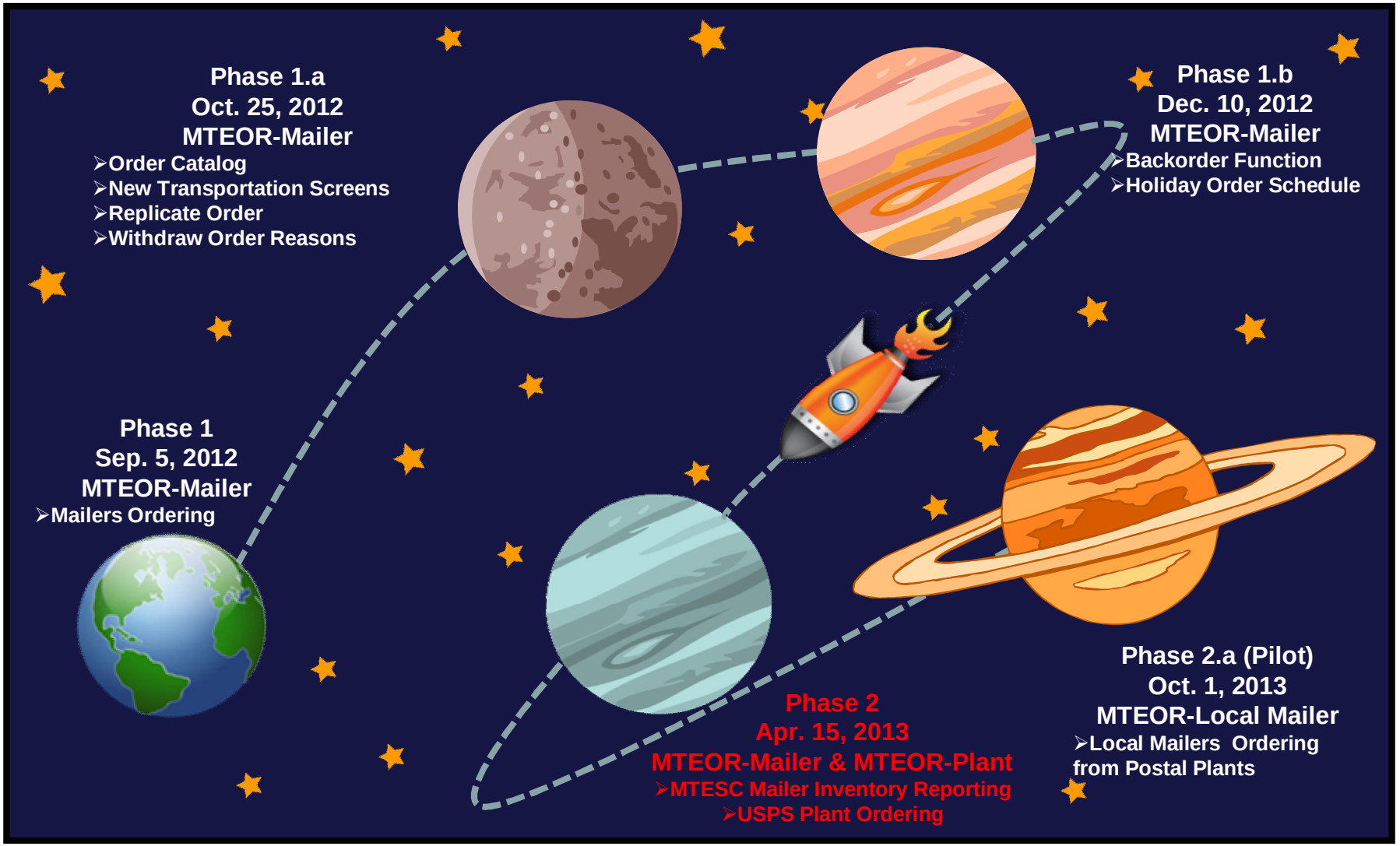
2.Recommend future enhancement initiatives for the MTEOR program that will improve the user experience including communications, ease of use and reporting.

3.Determine the feasibility and timeline associated with recommended enhancements.

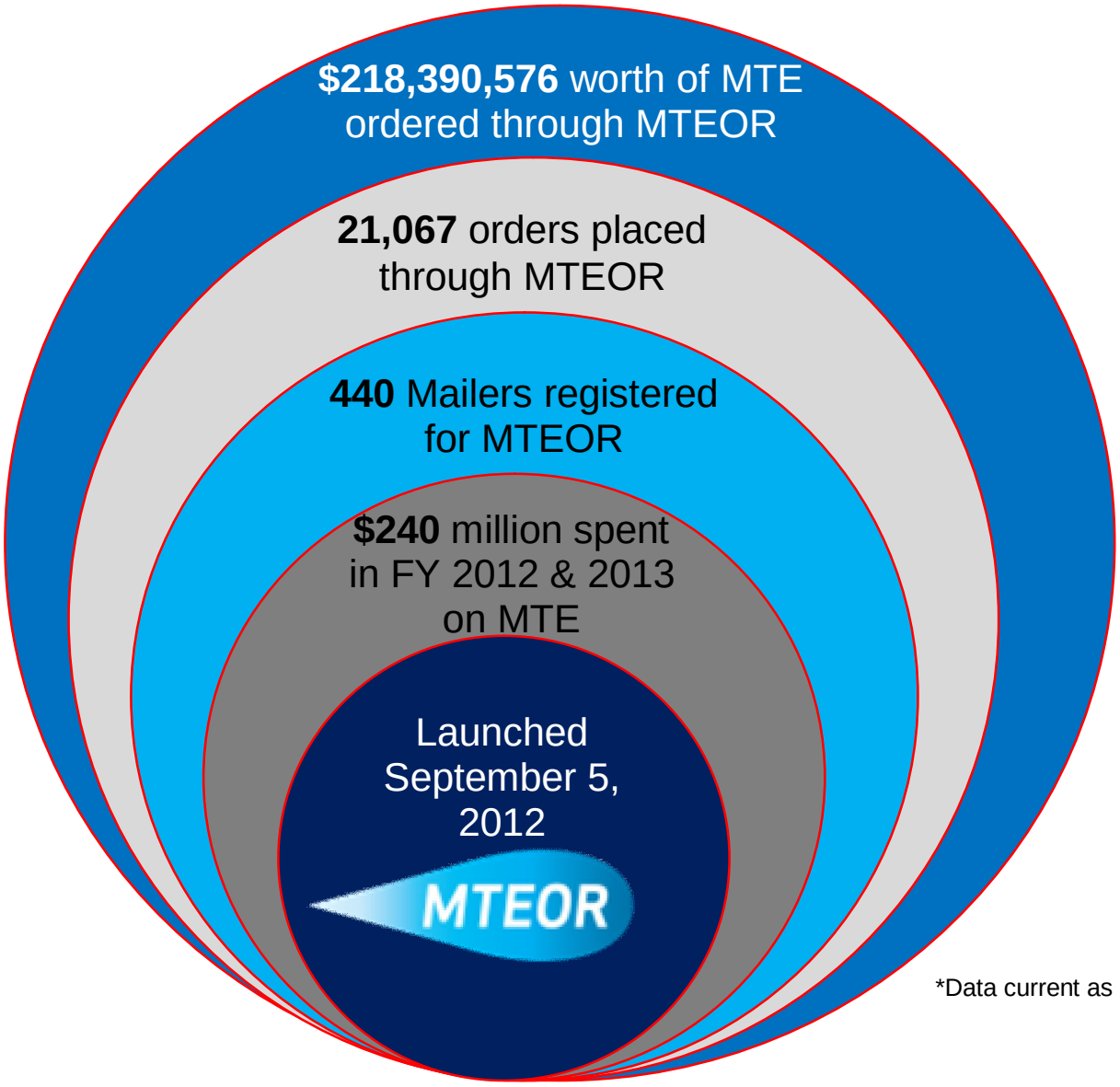
4.Review and build upon the recommendations from MTAC Work Group #153: “Mailer MTE Inventory Tracking and Reporting Process”.

MTEOR Update

MTEOR's Path


Phase 1.a
Oct. 25, 2012
MTEOR-Mailer
➢Order Catalog
➢New Transportation Screens
➢Replicate Order
➢Withdraw Order Reasons
Phase 1.b
Dec. 10, 2012
MTEOR-Mailer
➢Backorder Function
➢Holiday Order Schedule
Phase 1
Sep. 5, 2012
MTEOR-Mailer
➢Mailers Ordering
Phase 2
Apr. 15, 2013
MTEOR-Mailer & MTEOR-Plant
➢MTESC Mailer Inventory Reporting
➢USPS Plant Ordering
Phase 2.a (Pilot)
Oct. 1, 2013
MTEOR-Local Mailer
➢Local Mailers Ordering from Postal Plants

Did you know ?



*Data current as of May 7, 2013

MTEOR Inventory Reporting

- Mailers are expected to submit a report no later than 11:59 PM (local time) on Wednesdays
  - Noncompliance will result in an inquiry by a Mailer's BSN, and may result in the suspension of METOR privileges

- Since the April 15 launch:
  - 84% of Mailers submitted at least one report
  - 53% of Mailers submitted reports for all four weeks since the launch
  - 16% of Mailers have never submitted a report

Over $46M worth of MTE is currently reported at Mailers across the country

Inventory data as of May 1, 2013

Importance of Reporting Timely

- Reporting inventory on time:
  - Allows USPS to gain visibility to better understand the location of inventory and the needs of our customers
  - Increases transparency between USPS and Mailers
  - Decreases unnecessary spending and reduces MTE cost
  - Enables Mailers to better understand their current inventory and more efficiently plan for upcoming MTE needs

MTEOR Success Story

Southern Area mailer identified excess inventory of approximately 40-50 pallets of EMM's and 40-50 APC's and requested assistance in returning the product.

The approximate value of this MTE is between $17K and $22K.

New MTEOR Enhancements

- MTEOR enhancements launching May 19 include:
  - **MTEOR Dashboard**
    - Order history will include the last 30 days of orders
  - **MTEOR Order Details**
    - Times shown will now be set to your MTESC's local time zone
    - Trip number and contract number will be visible in the details
  - **MTEOR Inventory**
    - Deactivated pallet data field for pallets so that you can only report in pieces

Phase 2.a Introduction

- Phase 2.a provides the ability to order MTE from Postal plants:
  - All Mailers will use MTEOR to request MTE
    - Existing MTEOR Mailers have the option to order directly from the MTESC or pick up from a Postal plant

- Timeline:
  - Pilot at 2-3 Postal plants beginning on October 1, 2013
  - Phased roll-out for all Mailers begins in early 2014

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Mail Prep & Entry

Steering Committee Update

Mail Prep and Entry Ideas Log

- 75 ideas submitted to date
  - 29 ideas closed
    - Out of scope, withdrawn or re-assigned
  - 11 ideas completed
    - Postal Bulletin articles and DMM revisions announced
  - 23 ideas remaining in Benefit/Effort matrix
  - 12 ideas open needing Change/Improvement template submitted or idea withdrawn

DMM Revisions

	Federal Register Proposed Rule	Federal Register Final Rule	Postal Bulletin article	DMM revision effective
Eliminate QSGs 201b, 703, 705a-f, 707a Removal of advanced mail prep and brief DMM section guides	NA	NA	10/18/12 3/21/13	**7/28/13**
DSCF Eligibility Enable DSCF price for 5D (FSS zone) pallet entry at FSS sites	NA	NA	2/21/13	4/1/13 FAST FSS entry **7/1/13**
3D/5D SCH vs. 3D/5D trays/handling units Scheme trays must be made before making any 5-digit or 3-digit trays	NA	NA	3/7/13	4/1/13

Subgroup Update – 24 oz PER

- Evaluate increasing max PER weight to 24 oz for co-mail pools
  - Reviewed specification requirements for AFSM 100 and FSS
  - Determination of more specific impacts to each machine may require testing
  - USPS currently reviewing test potential

Subgroup Update – FSS Bundle Prep

- Explore changing the FSS bundle prep standard from optional to required
  - Recommendation of the subgroup is to require FSS bundle prep
  - Impacts still under consideration
    - Container requirements
    - Small publications dropped at DDU

Next Steps

- Re-evaluate 23 ideas in Benefit/Effort matrix for potential resolution
- Decide status of remaining 12 open ideas
- Consider potential new idea submissions
- Continue periodic meetings
  - Webinars and face-to-face meetings
    - Next webinar – June 13, 2013 & July 11, 2013
    - Next on-site meeting – Aug 27, 2013

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Network Rationalization Open Discussion

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Progress to Date of Consolidations

Area	Full			Originating Only			Destinating Only			Total
	Complete	Partial	Not Started	Complete	Partial	Not Started	Complete	Partial	Not Started	
CM	**2**	**1**	**0**	**1**	**0**	**3**	**5**	**0**	**1**	13
EA	**3**	**3**	**4**	**1**	**0**	**1**	**14**	**3**	**5**	34
GL	**2**	**1**	**1**	**2**	**0**	**2**	**4**	**1**	**1**	14
NE	**1**	**0**	**3**	**1**	**0**	**2**	**4**	**1**	**2**	14
PA	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**1**	**2**	5
SA	**6**	**2**	**1**	**2**	**0**	**1**	**5**	**1**	**6**	24
WE	**11**	**2**	**12**	**3**	**0**	**8**	**0**	**0**	**3**	39
Total	25	9	23	10	0	17	32	7	20	143

67 (46.8%) of 2013 Consolidations Completed

This count assumes that all Mail Moves planned through May 6th have successfully taken place

Number of consolidations per Mail Move Plan May 3, 2013

41

Progress to Date of FY13 Mail Moves Calendar

Area	Completed to date	May 6+	June	July	August	September	TBD	Total
Capital Metro	**20**	**0**	**3**	**3**	**6**	**0**	**0**	32
Eastern	**68**	**0**	**20**	**40**	**0**	**7**	**0**	135
Great Lakes	**46**	**1**	**11**	**2**	**12**	**0**	**0**	72
Northeast	**20**	**1**	**6**	**0**	**0**	**17**	**2**	46
Pacific	**2**	**4**	**7**	**5**	**0**	**0**	**0**	18
Southern	**107**	**13**	**17**	**1**	**0**	**0**	**0**	138
Western	**91**	**0**	**49**	**43**	**4**	**16**	**0**	203
National Total	354	19	113	94	22	40	2	644

55% of Mail Moves Completed as of May 6th

This count assumes that all Mail Moves planned May 6th have successfully taken place

Number of individual moves per Mail Move Plan as of May 3, 2013

42

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Open Discussion

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MTAC
Mail Prep & Entry Focus Group
Packages Track

May 15, 2013

Agenda

- Packages Track
  - Action Items from Last Meeting
  - Workgroup Updates
  - MTEOR Update
  - Mail Prep & Entry Steering Committee Update
  - Network Rationalization Open Discussion
  - Open Discussion

Action Items

- Action Items from Last Meeting
  - Reconcile AMP lists posted online
  - Mail Move File – Include PRS information
  - Evaluate developing Delivery Unit Hub List
  - Launch MTEOR User Group

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Workgroup Updates

Workgroup Updates

- WG 154 – Alignment of Parcel Dropship Files and Labeling Lists
- WG 155 – Communication processes and procedures during emergency situations
- WG 156 – Utilizing the Mail Optimization Matrix (MOP)
- WG 157 – Load Leveling
- UG 7 – MTEOR

Alignment of Parcel Dropship Files and Labeling Lists

- Kicked off early January
- Objectives
  - Identify data files used to pre-sort and enter parcels into USPS mailstream
  - Identify single source to provide udpates based on changes to delivery units
- Outcome
  - Post delivery unit hours of operation changes and alternate locations (if applicable) 28 days in advance
    - FAST (Drop Ship Product File Download Page)
    - Implementation Date: TBD (2013)
  - Incorporate L606 labeling list into the Mail Direction File (MDF)
    - Ensure pre-sort and entry are aligned
    - Changes to DDU entry locations will be posted weekly in MDF
    - Implementation Date: January 2014

Communication processes and procedures during emergency situations

Results:

- Workgroup is wrapping up & finalizing Final Report
- Reporting out in MTAC Open Session May 15, 2013
- Group had 55 participants throughout process
- Look for an updated Mail Service Update page in the future

Utilizing the MOP to identify and organize improvement opportunities

The purpose of the work group is to utilize the Mail Optimization Matrix (MOP) to identify and organize improvement opportunities for all shapes of mail with collaboration from industry and USPS. Additionally, the goal is to identify changes that would create efficiencies, reduced costs, and improve cycle time around creation, processing and delivery of mail pieces.

The workgroup consists of three subgroups: flats, letters and parcels. Each group will develop multiple MOPs based on mail flows and mail sort levels.

Primary Benefits:

•Create efficiencies : Identify opportunities to create efficiencies within mail flows by looking at preparation, drop locations, processing flows and MTE flows.

•Reduce costs: Identify ways to remove costs from the end-to-end mail flows for mailers, printers, and processors.

•Reduce cycle time: Identify opportunities to reduce and standardize cycle time by identifying non-value added steps within mail flows.

Primary Subgroups:

•Letters: Focus on mail flows of concern within letter mail, such as first class single piece commercial and 3-digit vs. SCF trays.

•Flats: Focus on mail flows of concern within flat mail, such as DSCF carrier route bundles and FSS bundles.

•Parcels: Focus on mail flows of concern within parcel mail, such as DNDC parcel drops.

Mailflow OPtimization Matrix (MOP) - Machineable Parcels

		OPTIMIZATION OBJECTIVES		
	Objective -->	MINIMIZE PALLET/GAYLORD HANDLINGS	MINIMIZE SACK HANDLINGS	MINIMIZE PIECE HANDLINGS
	Vehicle -->			
FUNCTIONAL AREA OF SUPPLY CHAIN	1. Mailing Standards / BMA	(1) Encourage eVS over PVDS.	(1) Education regarding proper use of sacks in gaylords.	
	2. Prep Rules / Parameters	(1) Drop directly at hub (2) Drop directly at APPS/APBS locations (3) For comingled mailing sortations, include new 3-digit ZIPs at gaining SCFs immediately (Network Optimization). Assure that L005 updates include new 3-digit ZIPs at the gaining facilty.	(1) Drop PMOD directly at hub (2) Drop PMOD directly at APPS/APBS locations (3) Drop directly as designated SCFs.	
	3. Price Signals within existing Structure			
	4. Price Signals within new Structure	(1) Establish 3-digit sort at DSCF. This will minimize sack handlings and increase equipment utilization. (2) Increase incentitve 5-digit/5-digit scheme requirement and make 5-digit sort optional.	(1) Establishment of a 3 Digit at the SCF for all packages should minimize sack handlings and increase machine utliization.	(1) Discount around information available with barcode and address information ahead of drop
	5. Mail Processing / Ops	DSCF (1) Increase maximum pallet height to enhance double stacking of gaylords DSCF (2) eVS (v PVDS) pallets are not held for acceptance verification (pallets move directly to induction) DNDC (1) Minimize handling between drop off & machine induction. For example, offer an incentive to prepare optional sort for PSM 1 induction, PSM 2 induction etc.		
	6. USPS Technical / Systems	(1) Align Labeling List updates with Mail Direction and Parcel drop ship updates. (2) Ensure 99M Container Scan compliance at NDCs and SCFs	(1) Align Labeling List updates with Mail Direction and Parcel drop ship updates. (2) Implement 99M Container Scans including sacks at DDUs	(1) Align Labeling List updates with Mail Direction and Parcel drop ship updates.
	7. Industry	(1) Encourage industry to do more workshare and drop at SCFs.	(1) Encourage the industry to use more pallet & gaylords for SCF entry.	(1) Encourage CASS Certification and Move Update for all parcel mailings.

Load Leveling

The purpose of the group is to review current processes for load leveling of volumes across days of week. The group will strategize on future initiatives that would meet the objectives of load leveling volumes and analyze future possible initiatives in a cost/benefit format to provide viable recommendations to the postal service.

Co-Leaders: Industry: Dale Miller USPS: Linda Malone

Desired Results:

1. Develop strategies that would facilitate the load leveling of volumes across days of the week. Include present state and future state scenarios.
2. Model the impact of each strategy on the mail owners, software vendors, logistics and transportation providers, USPS operations and mail entry.
3. Evaluate strategies for potential adoption and implementation.
4. Recommend and/or establish guidelines for the consistent and predictable collection and dissemination of information, including updates for stakeholders.
5. Gain a clearer understanding of stakeholder's expectations.
6. Identify/define potential technical or process changes that are needed by the mailing industry to accommodate the potential impact of load leveling.

MTEOR

The purpose of the user group is to identify and recommend opportunities for future enhancements to the MTEOR program.

Co-Leaders: TBD USPS: Nancy Paradice

Desired Results:

1.Gain an understanding of any MTEOR program constraints and ease of use issues through the user perspective.

2.Recommend future enhancement initiatives for the MTEOR program that will improve the user experience including communications, ease of use and reporting.

3.Determine the feasibility and timeline associated with recommended enhancements.

4.Review and build upon the recommendations from MTAC Work Group #153: “Mailer MTE Inventory Tracking and Reporting Process”.

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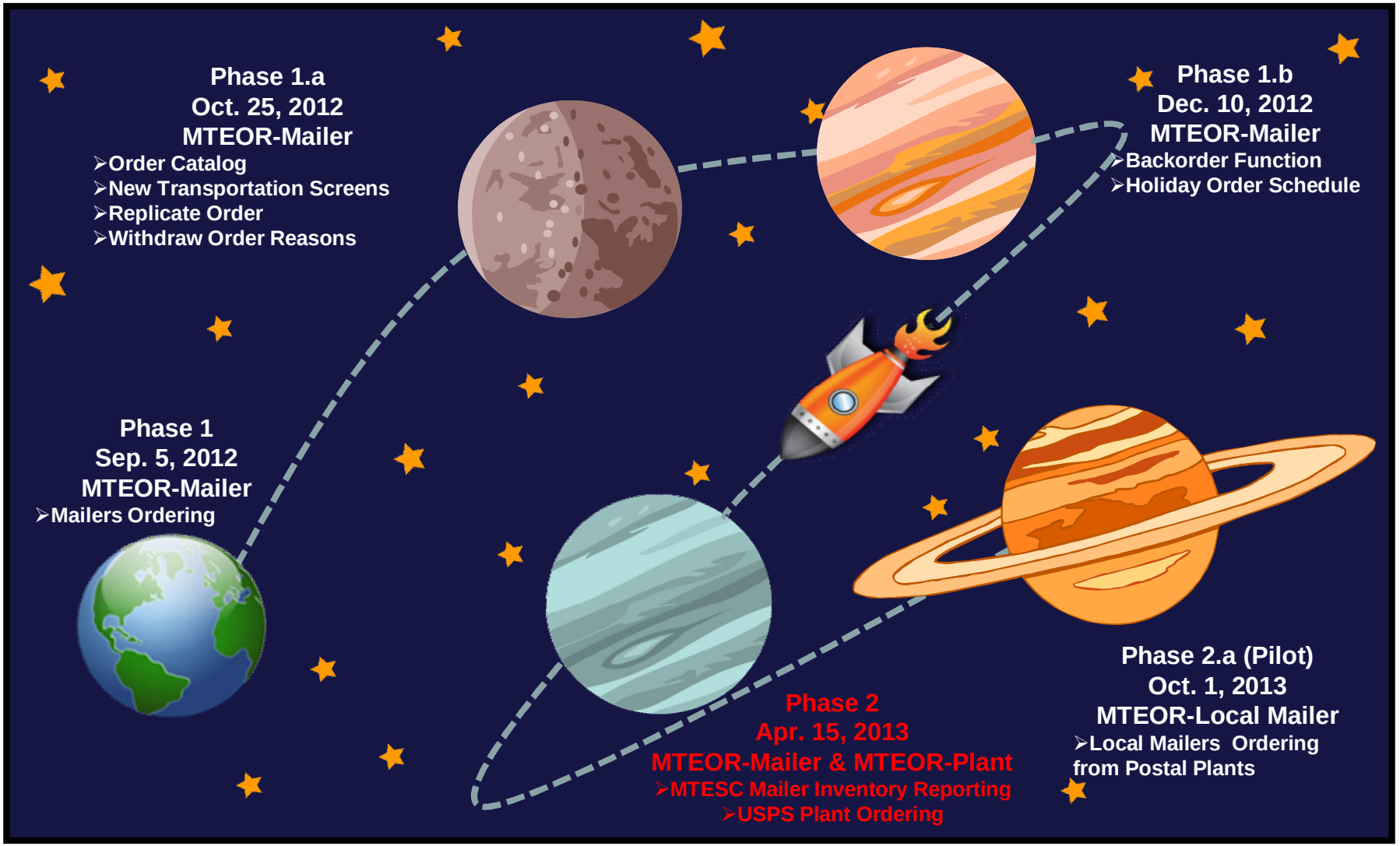
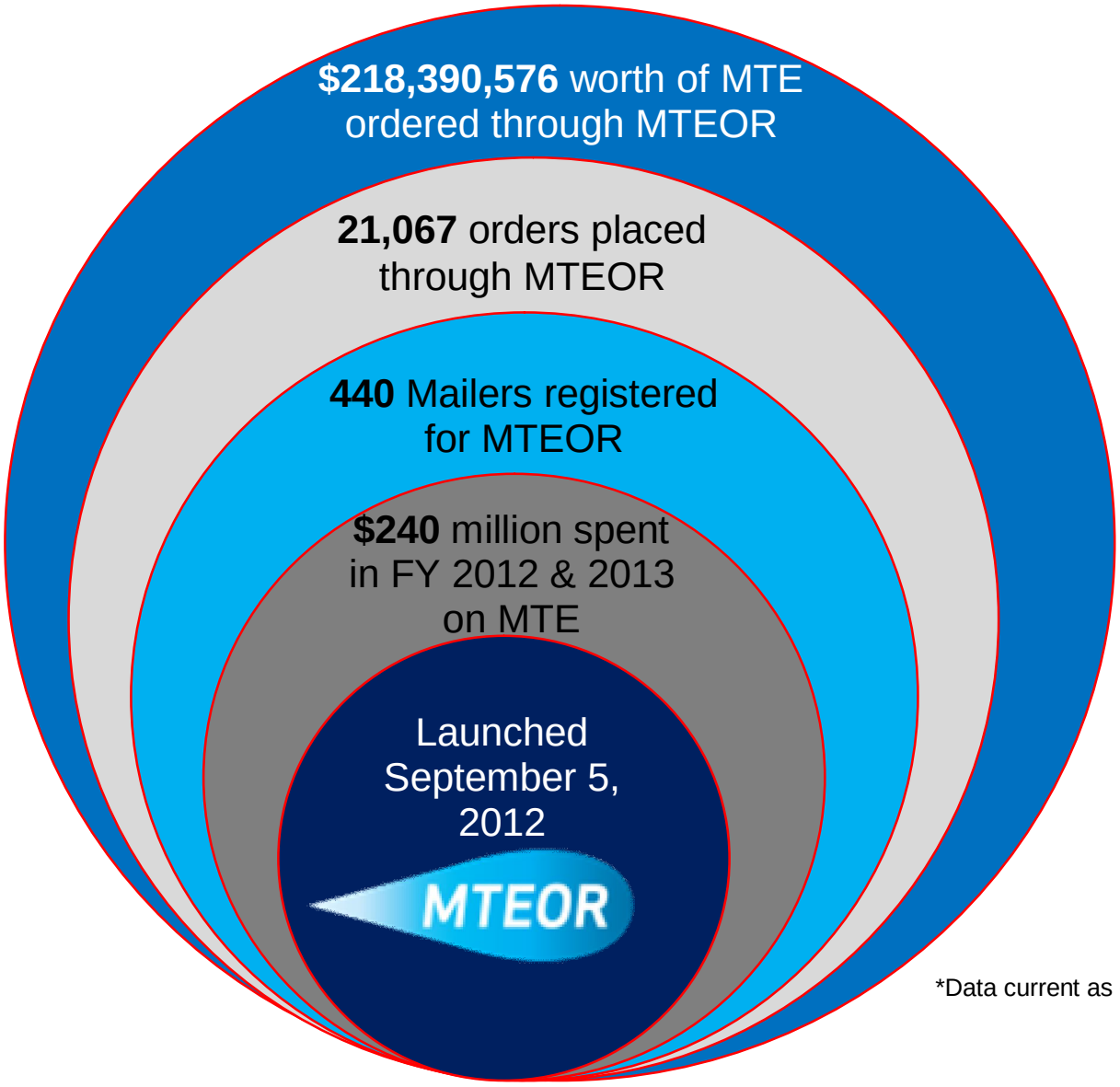
MTEOR Update

MTEOR's Path


Phase 1.a
Oct. 25, 2012
MTEOR-Mailer
➢Order Catalog
➢New Transportation Screens
➢Replicate Order
➢Withdraw Order Reasons
Phase 1.b
Dec. 10, 2012
MTEOR-Mailer
➢Backorder Function
➢Holiday Order Schedule
Phase 1
Sep. 5, 2012
MTEOR-Mailer
➢Mailers Ordering
Phase 2
Apr. 15, 2013
MTEOR-Mailer & MTEOR-Plant
➢MTESC Mailer Inventory Reporting
➢USPS Plant Ordering
Phase 2.a (Pilot)
Oct. 1, 2013
MTEOR-Local Mailer
➢Local Mailers Ordering from Postal Plants

Did you know ?



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Over $46M worth of MTE is currently reported at Mailers across the country

Inventory data as of May 1, 2013

Importance of Reporting Timely

- Reporting inventory on time:
  - Allows USPS to gain visibility to better understand the location of inventory and the needs of our customers
  - Increases transparency between USPS and Mailers
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Southern Area mailer identified excess inventory of approximately 40-50 pallets of EMM's and 40-50 APC's and requested assistance in returning the product.

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New MTEOR Enhancements

- MTEOR enhancements launching May 19 include:
  - **MTEOR Dashboard**
    - Order history will include the last 30 days of orders
  - **MTEOR Order Details**
    - Times shown will now be set to your MTESC's local time zone
    - Trip number and contract number will be visible in the details
  - **MTEOR Inventory**
    - Deactivated pallet data field for pallets so that you can only report in pieces

Phase 2.a Introduction

- Phase 2.a provides the ability to order MTE from Postal plants:
  - All Mailers will use MTEOR to request MTE
    - Existing MTEOR Mailers have the option to order directly from the MTESC or pick up from a Postal plant

- Timeline:
  - Pilot at 2-3 Postal plants beginning on October 1, 2013
  - Phased roll-out for all Mailers begins in early 2014

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Mail Prep & Entry
Steering Committee Update

Mail Prep and Entry Ideas Log

- 75 ideas submitted to date
  - 29 ideas closed
    - Out of scope, withdrawn or re-assigned
  - 11 ideas completed
    - Postal Bulletin articles and DMM revisions announced
  - 23 ideas remaining in Benefit/Effort matrix
  - 12 ideas open needing Change/Improvement template submitted or idea withdrawn

DMM Revisions

	Federal Register Proposed Rule	Federal Register Final Rule	Postal Bulletin article	DMM revision effective
Eliminate QSGs 201b, 703, 705a-f, 707a Removal of advanced mail prep and brief DMM section guides	NA	NA	10/18/12 3/21/13	**7/28/13**
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Network Rationalization Open Discussion

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Progress to Date of Consolidations

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Number of consolidations per Mail Move Plan May 3, 2013

69

Progress to Date of FY13 Mail Moves Calendar

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Number of individual moves per Mail Move Plan as of May 3, 2013

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Open Discussion

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MTAC
Mail Prep & Entry Focus Group
First-Class Track

May 15, 2013

Agenda

- First-Class Track
  - Action Items from Last Meeting
  - Workgroup Updates
  - CFS/PARS Consolidation
  - MTEOR Update
  - Mail Prep & Entry Steering Committee Update
  - Remittance Mail – Earned Value Initiative
  - Network Rationalization Open Discussion
  - Open Discussion

Action Items

- Action Items from Last Meeting
  - Further communication on eService
  - MTEOR
    - Cancellation messaging
    - Clarify end of business cut off time for reporting
    - Launch MTEOR User Group
  - RIBBS Mail Move File – highlight changes from week to week
  - Mail Prep & Entry Steering Committee – expand communication distribution list for updates

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Workgroup Updates

Workgroup Updates

- WG 155 – Communication processes and procedures during emergency situations
- WG 156 – Utilizing the Mail Optimization Matrix (MOP)
- WG 157 – Load Leveling
- UG 7 – MTEOR

Communication processes and procedures during emergency situations

Results:

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- Reporting out in MTAC Open Session May 15, 2013
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•Flats: Focus on mail flows of concern within flat mail, such as DSCF carrier route bundles and FSS bundles.

•Parcels: Focus on mail flows of concern within parcel mail, such as DNDC parcel drops.

Mailflow OPtimization Matrix (MOP) - First Class Auto Letters

		OPTIMIZATION OBJECTIVES		
	Objective -->	MINIMIZE CONTAINER HANDLINGS	MINIMIZE TRAY HANDLINGS	MINIMIZE PIECE HANDLINGS
	Vehicle -->	Increase Drop Ship to Dest Fac.	Increase Schm 5D Pallet Prep	Increase 5D Schm Tray
FUNCTIONAL AREA OF SUPPLY CHAIN	1. Mailing Standards / BMA	(1) Increase tray minimums	(1) make Schm 5D pallet requried at ?? Lbs	(1) Increase tray minimums
	2. Prep Rules / Parameters	(1) Increase tray minimums (2) Exlore alternative downstream entry at USPS facilities (3) DMM vs CSA sortation & prep requirements	(1) Improve single piece residual mail prep rules (2) Increase tray minimums (3) Alternate container options for small tray volumes	(1) Improve single piece residual mail prep rules
	3. Price Signals within existing Structure	(1) no drop ship signals available	(1) no drop ship signals available (2) no pallet prep signal available	
	4. Price Signals within new Structure	(1) Create dropship pricing signals	(1) Create dropship pricing signals (2) Create signals to build Schm 5D Pallets	(1) Create signal to prepare 5D Schm tray where possible
	5. Mail Processing / Ops		(1) Network Rationalization (2) Establish process to ensure 5D Schm sync between Ops processing capabiilties and label list (3) Opportunity to build containers useable by air cargo without rehandling trays	(1) Network Rationalization (2) Establish process to ensure 5D Schm sync between Ops processing capabiilties and label list description
	6. USPS Technical / Systems		(1) Establish process to ensure 5D Schm sync between Ops processing capabiilties and label list (2) Improve communication process	(1) Establish process to ensure 5D Schm sync between Ops processing capabiilties and label list description (2) Improve communication process
	7. Industry			(1) Reduce reject mail

Mailflow OPtimization Matrix (MOP) - Flats / First Class

		OPTIMIZATION OBJECTIVES		
	Objective -->	MINIMIZE CONTAINER HANDLINGS	MINIMIZE TRAY HANDLINGS	MINIMIZE PIECE HANDLINGS
	Vehicle -->	1. Increase Drop Ship to SCF	2. Increase Cross Dock Pallet	3. Increase CRRT/DPS Bundle/Tray Prep
FUNCTIONAL AREA OF SUPPLY CHAIN	1. Mailing Standards	(1) Create FSS Prep (2) create copal for 1C Flats	(1) Create FSS Prep	(1) Create FSS Prep
	2. BMA/acceptence			
	3. Prep Rules / Parameters	(1) Create 3D Scheme container	(1) Create FSS Prep	(1) Create FSS Prep (2) Create carrier route bundle prep (3) Create carrier route tray prep (4) lower 90 pc min
	4. Price Signals within existing Structure			(1) Signal prep of lower min tray CRRT/5D Tray
	5. Price Signals within new Structure	(1) Create dropship price signals to align with breaks		
	6. Mail Processing / Ops			
	7. USPS Technical / Systems			
	8. Industry	(1) Increase comingling capacity	(1) Increase comingling capacity	

Load Leveling

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Co-Leaders: Industry: Dale Miller USPS: Linda Malone

Desired Results:

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3.Determine the feasibility and timeline associated with recommended enhancements.

4.Review and build upon the recommendations from MTAC Work Group #153: “Mailer MTE Inventory Tracking and Reporting Process”.

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CFS/PARS Consolidation

CFS AND PARS CIOSS PROCESSING CONSOLIDATIONS

- USPS has reduced to 22 CFS Units operating in 2013
  - Consolidated to increase efficiency of remaining CFS units
  - Reductions due to PARS and individual Area initiatives
  - Potential moves of Philadelphia PA CFS to Southeastern PA and Memphis TN CFS to Jackson TN

- Further CFS consolidations are dependent on the implementation of:
  - Remote Forwarding System (RFS) – testing in March 2013
  - PARS for flats (FPARS) – deployment in 2015

- PARS CIOSS processing operations consolidated to 66 plants
  - Plants without CIOSS processing operations are “feeder” plants, sending PARS letters to CIOSS “host” plants for CIOSS processing
  - Consolidated to increase efficiency of CIOSS operations
  - Continue consolidation reducing to 62 CIOSS processing plants

MTEOR Update

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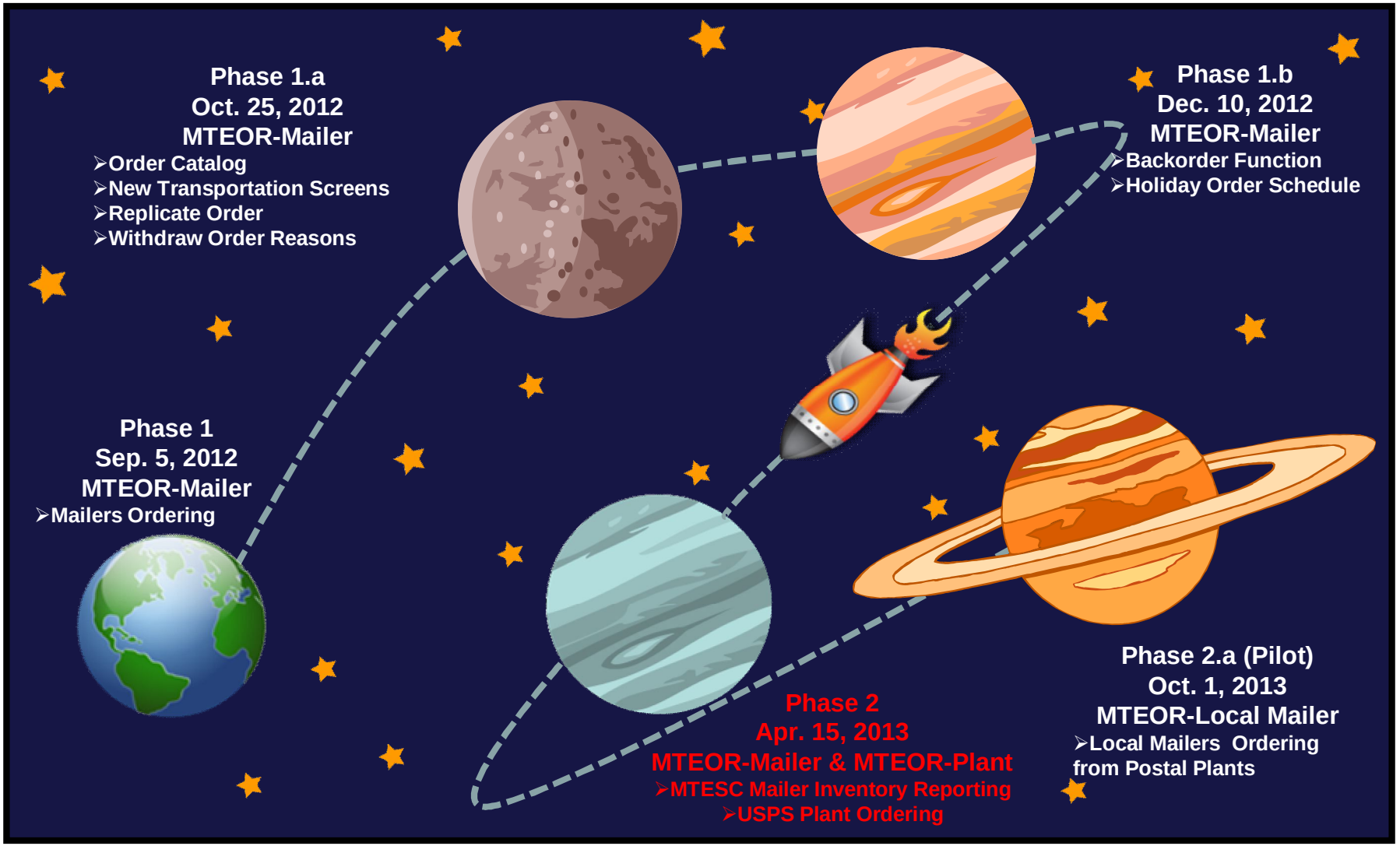
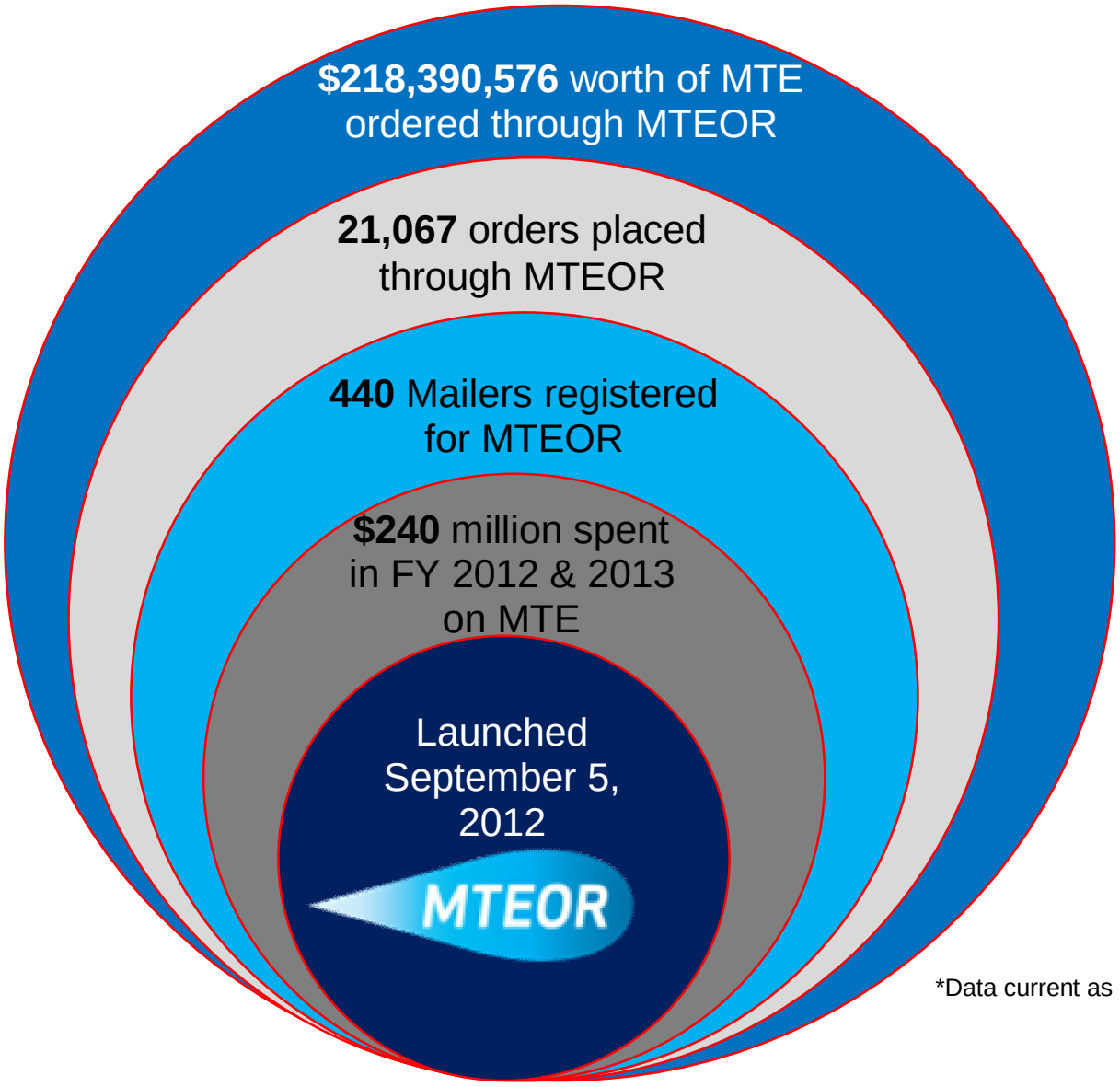
MTEOR's Path



Did you know ?



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MTEOR Inventory Reporting

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Over $46M worth of MTE is currently reported at Mailers across the country

Inventory data as of May 1, 2013

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    - Trip number and contract number will be visible in the details
  - **MTEOR Inventory**
    - Deactivated pallet data field for pallets so that you can only report in pieces

Phase 2.a Introduction

- Phase 2.a provides the ability to order MTE from Postal plants:
  - All Mailers will use MTEOR to request MTE
    - Existing MTEOR Mailers have the option to order directly from the MTESC or pick up from a Postal plant

- Timeline:
  - Pilot at 2-3 Postal plants beginning on October 1, 2013
  - Phased roll-out for all Mailers begins in early 2014

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Mail Prep & Entry

Steering Committee Update

Mail Prep and Entry Ideas Log

- 75 ideas submitted to date
  - 29 ideas closed
    - Out of scope, withdrawn or re-assigned
  - 11 ideas completed
    - Postal Bulletin articles and DMM revisions announced
  - 23 ideas remaining in Benefit/Effort matrix
  - 12 ideas open needing Change/Improvement template submitted or idea withdrawn

DMM Revisions

	Federal Register Proposed Rule	Federal Register Final Rule	Postal Bulletin article	DMM revision effective
Eliminate QSGs 201b, 703, 705a-f, 707a Removal of advanced mail prep and brief DMM section guides	NA	NA	10/18/12 3/21/13	**7/28/13**
DSCF Eligibility Enable DSCF price for 5D (FSS zone) pallet entry at FSS sites	NA	NA	2/21/13	4/1/13 FAST FSS entry **7/1/13**
3D/5D SCH vs. 3D/5D trays/handling units Scheme trays must be made before making any 5-digit or 3-digit trays	NA	NA	3/7/13	4/1/13

Subgroup Update – 24 oz PER

- Evaluate increasing max PER weight to 24 oz for co-mail pools
  - Reviewed specification requirements for AFSM 100 and FSS
  - Determination of more specific impacts to each machine may require testing
  - USPS currently reviewing test potential

Subgroup Update – FSS Bundle Prep

- Explore changing the FSS bundle prep standard from optional to required
  - Recommendation of the subgroup is to require FSS bundle prep
  - Impacts still under consideration
    - Container requirements
    - Small publications dropped at DDU

Next Steps

- Re-evaluate 23 ideas in Benefit/Effort matrix for potential resolution
- Decide status of remaining 12 open ideas
- Consider potential new idea submissions
- Continue periodic meetings
  - Webinars and face-to-face meetings
    - Next webinar – June 13, 2013 & July 11, 2013
    - Next on-site meeting – Aug 27, 2013

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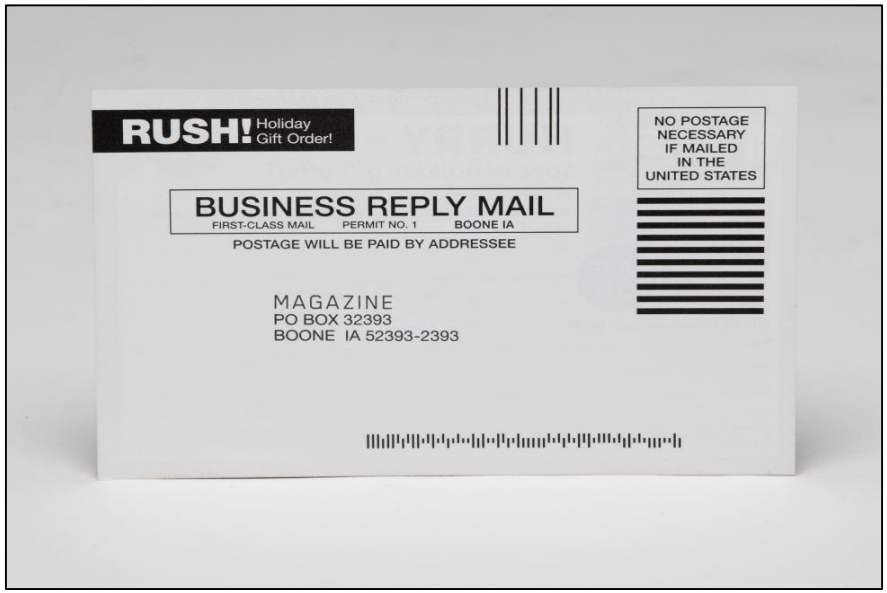
Remittance Mail - Earned Value Initiative

Earned Value

- Registration Began: January 15, 2013
- Registration Ended: March 31, 2013
- Program Period: April 1 through June 30, 2013



Earned Value – Status Update

- 639 customers are enrolled
- Approx. 250 million CRM and BRM pieces have been counted (April 1 – May 9)
- CRM represents 89% of total number of pieces counted; BRM is 11% of total
- Top 10 customers:
  - CRM is 54% of total CRM promotion volume
  - BRM is 66% of total BRM promotion volume

Earned Value – Technical Update

- 20 customers contacted the Program Office with questions related to their piece counts
- All, except for three, have been resolved
- Issues related to
  - Counts of non-conforming MIDs
  - Changes in CRIDs after enrollment
  - Counting pieces for MIDs that customer does not use at this time – issue under investigation
- Operations – EV is transparent to Processing operations; Mail is processed as normal

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Network Rationalization Open Discussion

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Progress to Date of Consolidations

Area	Full			Originating Only			Destinating Only			Total
	Complete	Partial	Not Started	Complete	Partial	Not Started	Complete	Partial	Not Started	
CM	**2**	**1**	**0**	**1**	**0**	**3**	**5**	**0**	**1**	13
EA	**3**	**3**	**4**	**1**	**0**	**1**	**14**	**3**	**5**	34
GL	**2**	**1**	**1**	**2**	**0**	**2**	**4**	**1**	**1**	14
NE	**1**	**0**	**3**	**1**	**0**	**2**	**4**	**1**	**2**	14
PA	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**1**	**2**	5
SA	**6**	**2**	**1**	**2**	**0**	**1**	**5**	**1**	**6**	24
WE	**11**	**2**	**12**	**3**	**0**	**8**	**0**	**0**	**3**	39
Total	25	9	23	10	0	17	32	7	20	143

67 (46.8%) of 2013 Consolidations Completed

This count assumes that all Mail Moves planned through May 6th have successfully taken place

Number of consolidations per Mail Move Plan May 3, 2013

103

Progress to Date of FY13 Mail Moves Calendar

Area	Completed to date	May 6+	June	July	August	September	TBD	Total
Capital Metro	**20**	**0**	**3**	**3**	**6**	**0**	**0**	32
Eastern	**68**	**0**	**20**	**40**	**0**	**7**	**0**	135
Great Lakes	**46**	**1**	**11**	**2**	**12**	**0**	**0**	72
Northeast	**20**	**1**	**6**	**0**	**0**	**17**	**2**	46
Pacific	**2**	**4**	**7**	**5**	**0**	**0**	**0**	18
Southern	**107**	**13**	**17**	**1**	**0**	**0**	**0**	138
Western	**91**	**0**	**49**	**43**	**4**	**16**	**0**	203
National Total	354	19	113	94	22	40	2	644

55% of Mail Moves Completed as of May 6th

This count assumes that all Mail Moves planned May 6th have successfully taken place

Number of individual moves per Mail Move Plan as of May 3, 2013

104

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Open Discussion

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MTAC
Mail Prep & Entry Focus Group
Periodicals Track

May 15, 2013

Agenda

- Periodicals Track
  - Action Items from Last Meeting
  - Engineering Technology Update
  - Workgroup Updates
  - MTEOR Update
  - Mail Prep & Entry Steering Committee Update
  - Network Rationalization Open Discussion
  - Open Discussion

Action Items

- Action Items from Last Meeting
  - Define the perfect flat
  - Root cause analysis on damaged flat pieces
  - FSS
    - Provide notional volumes/zip codes potentially gained by FSS Flat Feeder
    - Plan to close gap for FSS candidate volume not on FSS
    - Webinar on FSS Move Plan
  - FAST appointments for Periodicals policy
  - Field communication on mail move plan, labeling list changes, and grace period policies
  - Evaluate adding locale key to Labeling Lists
  - Update Mail Move File to only display local keys
  - Launch MTEOR User Group

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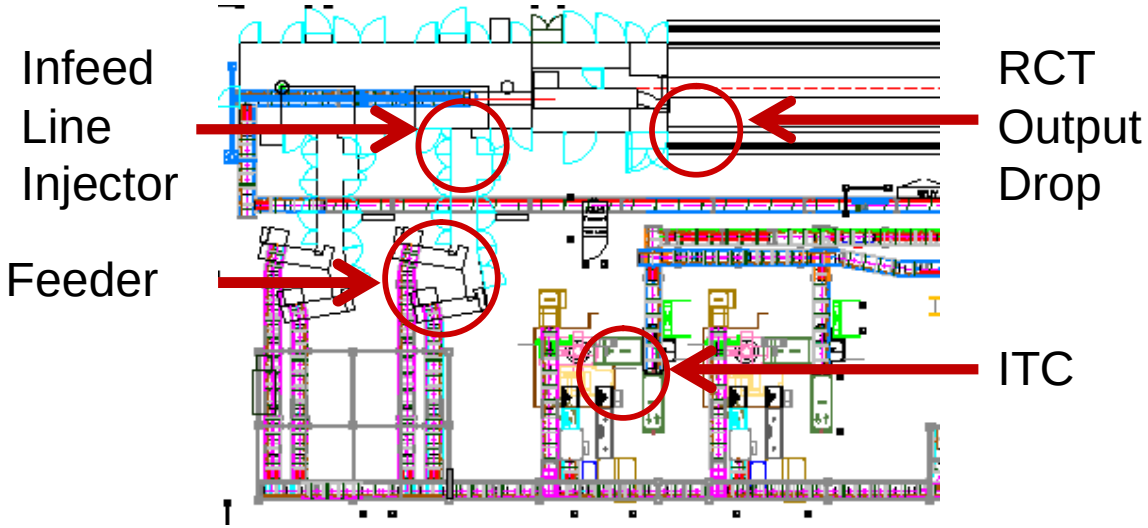
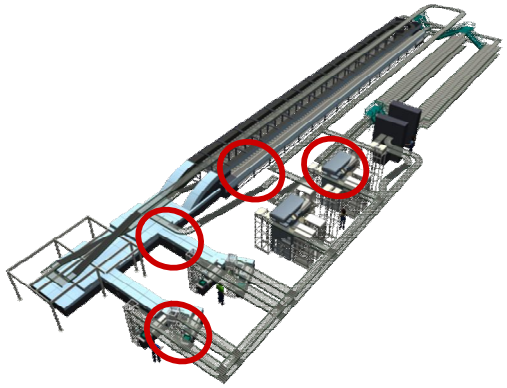
Engineering Technology Update

FSS Mail Study

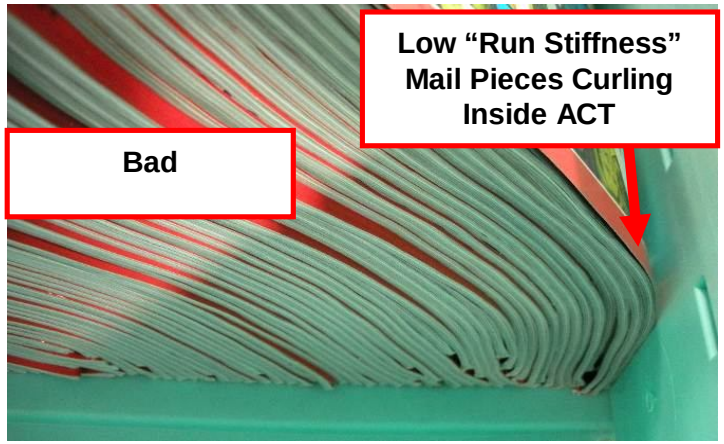
- **Committed to improving FSS handling of flat mail**
- **Mail characteristics trend towards lighter and thinner mailings**
- **Extensive studies on mail damage resulted in 4 areas of focus**
  - **Feeders (4 per system)**
  - **Infeed Line Injectors (2 per system)**
  - **RCT Output Drops (360 per system)**
  - **ITCs (2 per system)**
- **Next slides demonstrate how mail (with low "run stiffness") can be damaged**

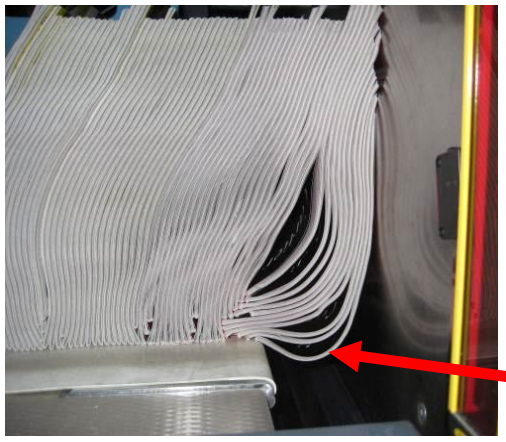




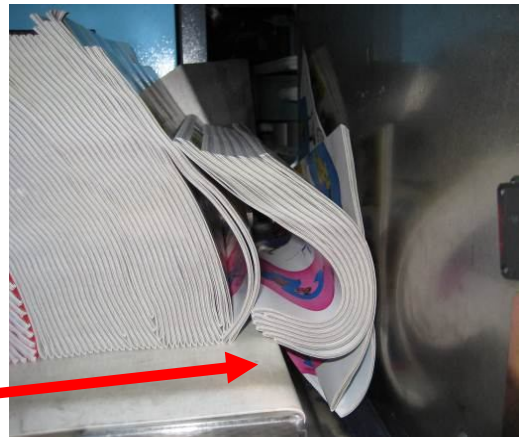
FSS Mail Study

- **Mail prepped into ACT at SAMP**



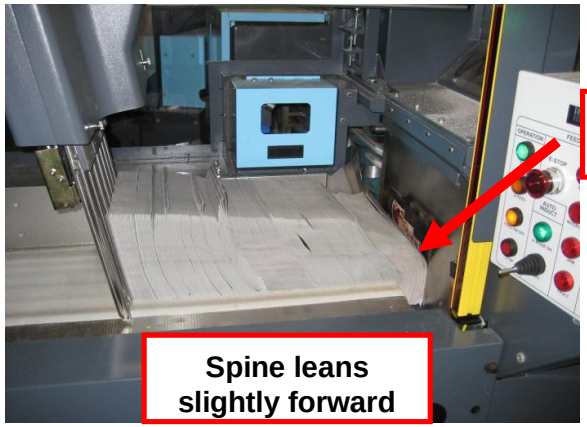


Low “Run Stiffness” Mail Pieces Curling at the Feeder

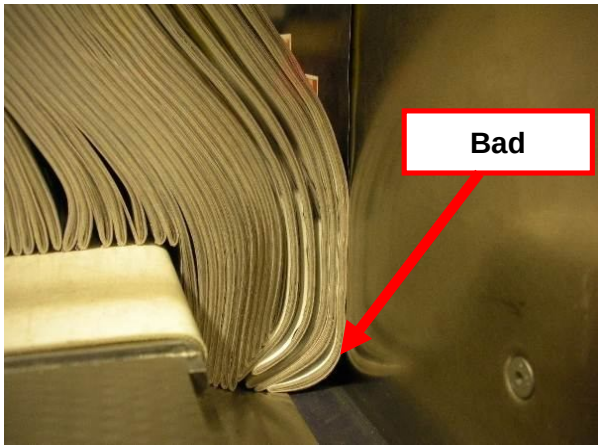


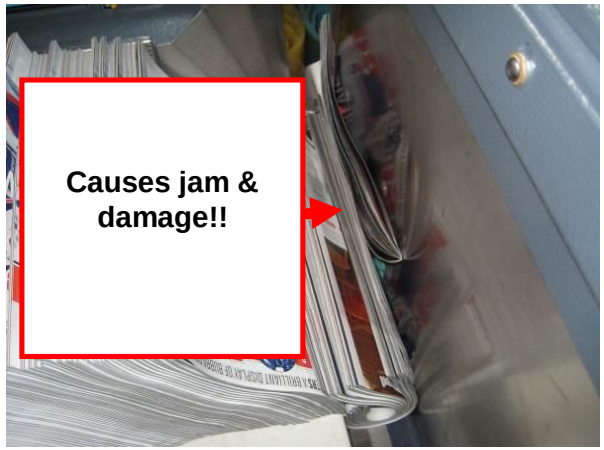
FSS Mail Study

- **Feeders**
  - **Low "Run Stiffness" Mail Pieces Curling at Feeder**
    - **Cause torn covers when fed or mail damage when jam is removed**
  - **Stack Management & Stack Angle Very Critical**



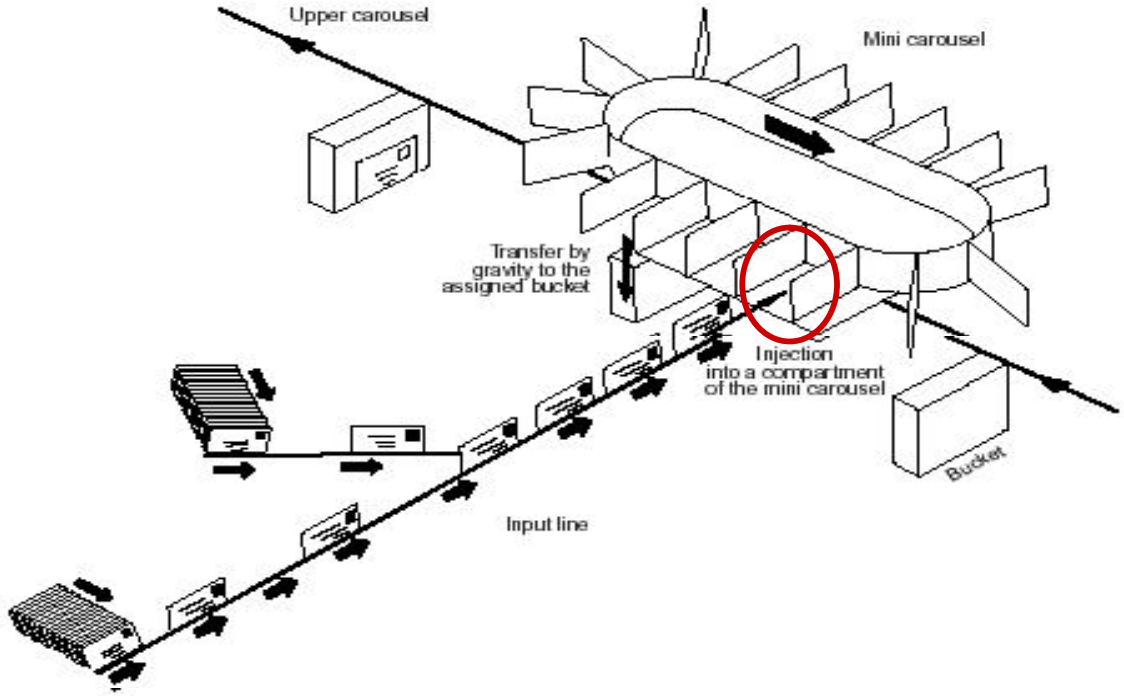
Good

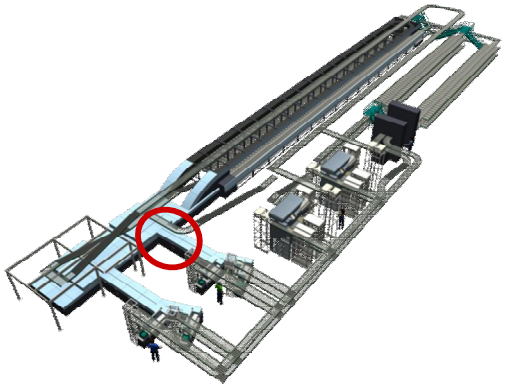


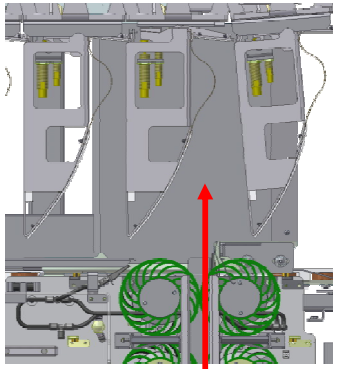


FSS Mail Study

- **Infeed Line Injector**
  - **Low "Run Stiffness" Mail Pieces Curling at Mini-Carousel**
  - **Tends to flip over as the mail pieces transfer to the Carousel Bucket**
  - **Flipped mail pieces can be trapped in Bucket or cause mail damage downstream**

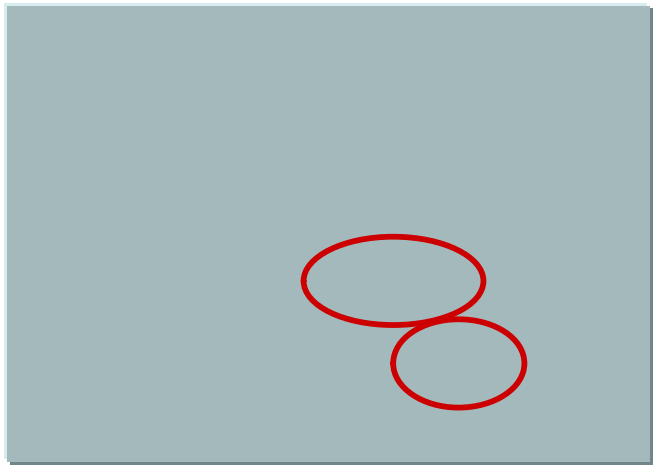


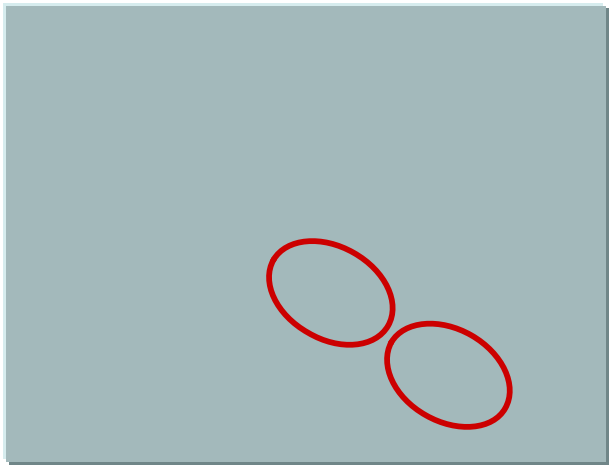


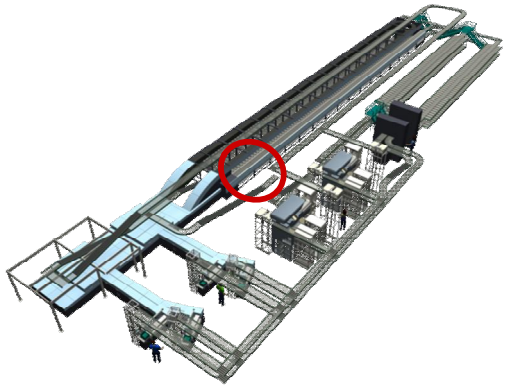


FSS Mail Study

- **RCT Output Drops**
  - **Low “Run Stiffness” Mail Pieces tend to flip (mis-faced) – resulting from Injection**
  - **Low “Run Stiffness” Mail Pieces tend to curl – causes problem downstream**
  - **Mail Pieces with light cover tend to have cover folded over (fold-overs)**
  - **Mail Pieces can have nested pieces (one mail piece inside another mail piece)**
  - **Cover fold-overs or mail piece fold-overs cause problems with follow-on pieces**
    - **Acts like a spring , causing stacking problems for next several pieces**

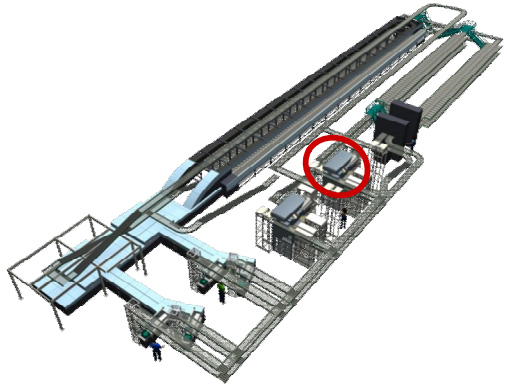




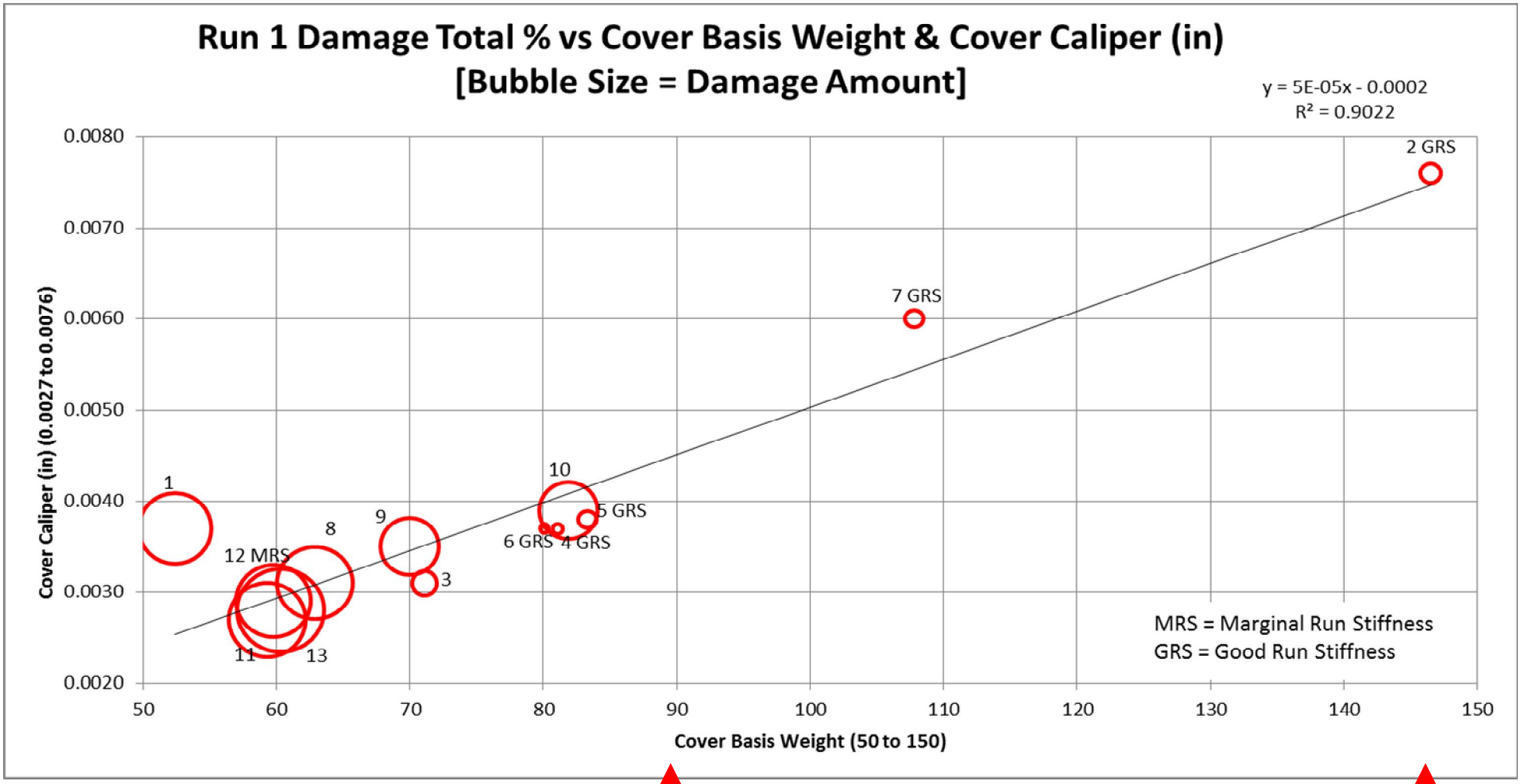


FSS Mail Study

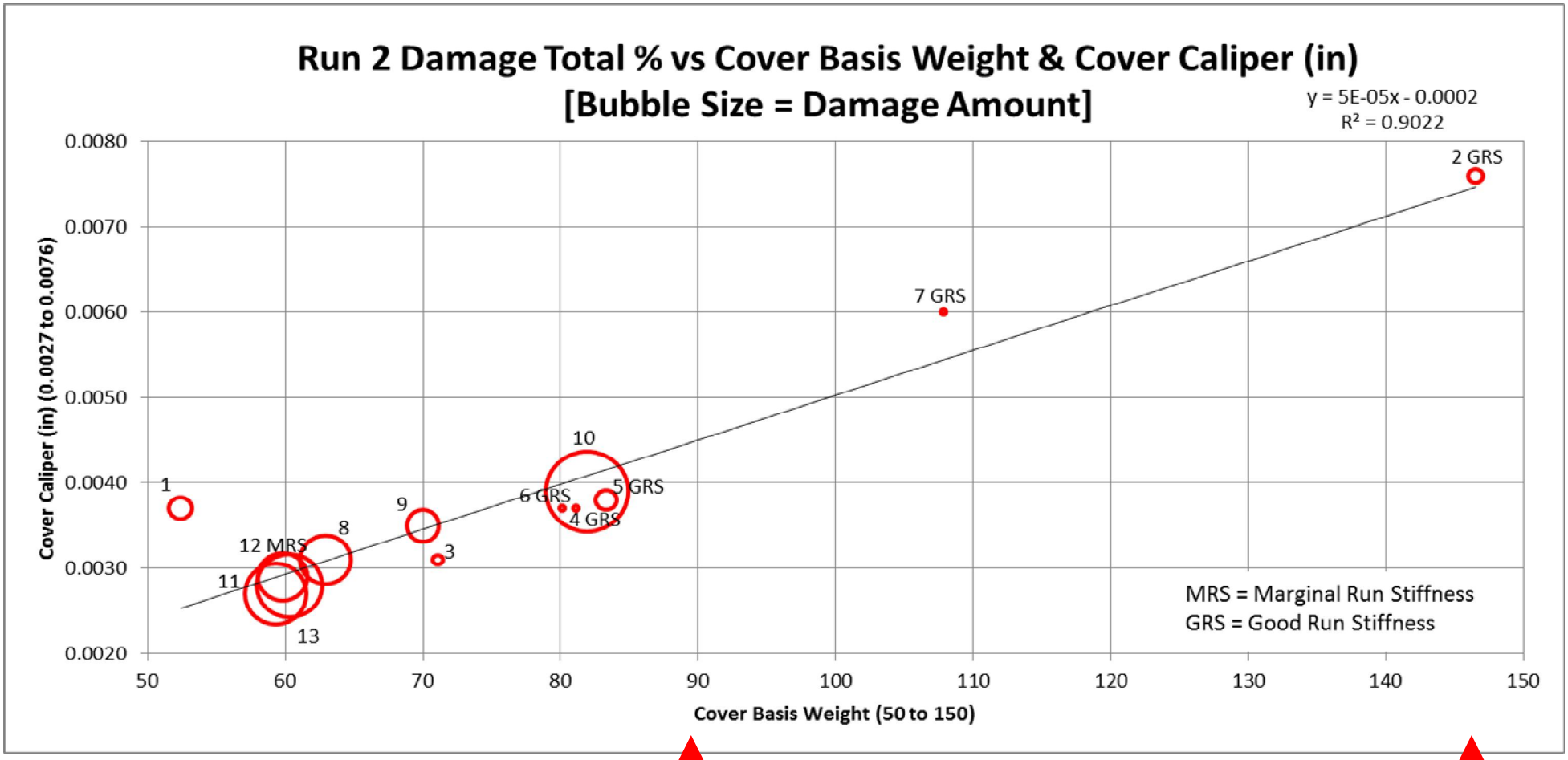
- **ITC**
  - **Flipped Mail Pieces can be torn if separated by bottom tines (as tines come up)**
  - **Curled Mail Pieces can be ejected (flyouts) or torn by bottom tines**
  - **Poor Separation can cause flyouts and damage (tear) from upper tines (go down)**
  - **Separation is needed to gain max fill level for trays for downstream operations**
  - **Green Separation Belts (4) on ledge is very critical for proper separation**



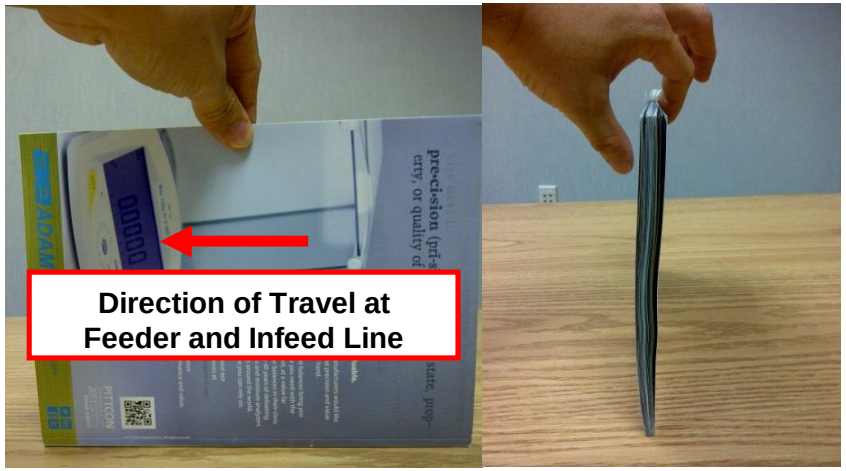
FSS Mail Study



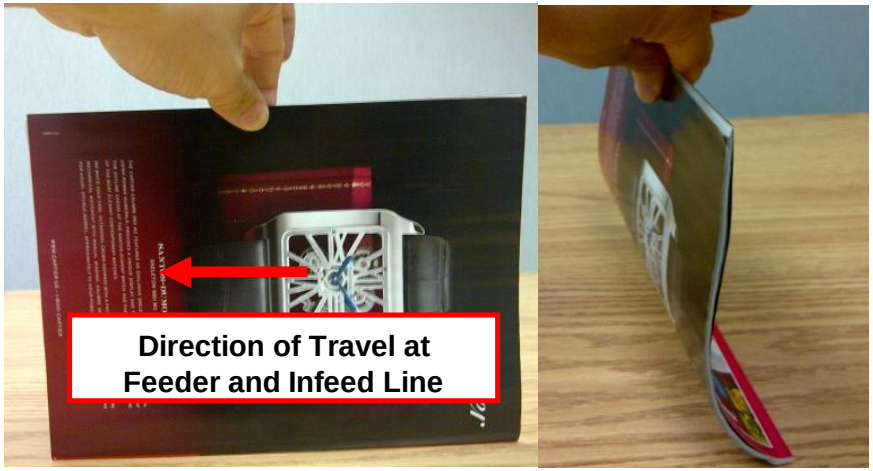
FSS Mail Study



- **Refining Characteristics of a "Perfect Flat"**
  - Add "Run Stiffness" Recommendation
    - Set mail piece along its bound edge on flat surface
    - Pinch with thumb and index finger at the middle of the open edge
    - Remove thumb and have mail piece rest on index finger
    - If mail piece can support its own weight, then it has Good Run Stiffness
    - If mail piece buckles or curls, then it has Low Run Stiffness



Good Run Stiffness



Low Run Stiffness

- **Refining Characteristics of a "Perfect Flat"**
  - Basis Weight
    - Recommendation: Use a cover made of paper with a higher basis weight than the paper used for the body of a flat-size mail piece, except for very thin flats. Consider the grade of cover stock and the coating when determining durability, especially on heavier saddle-stitched flats. Also, consider using **cover stock between 50 and 80 pounds**, particularly on flats weighing more than 6 ounces
    - Reason: Cover stock that is not durable or heavy enough increases the likelihood that the cover will separate from the content during processing
    - Basis Weight **Cover Stock between 50 and 80 lbs.**
      - Approximately equivalent to Basis Weight 90 to 146 lbs. Offset Paper
        - Offset Paper typically used today for cover page

FSS Mail Study - Improvements

- **FSS SW v3.0.8 - Dynamic Separation Lite – deployed Dec 2012**
  - Reduces number of separations by 75%; reduce flyouts (>60%) and mail damage from “Separating Fingers” at the ITC Separation
- **ITC Unload of RCT**
  - New Separation Belts planned for **Summer 2013**
  - Testing additional sensors at ITC to stop device if mail can be damaged
  - Experimenting with different unload motion profile to improve mail handling
- **Mail Stack Quality at Feeder – by Fall Mailing 2013**
  - Adding 3 HW mods and 3 SW changes at feeder to better control stack quality and have gentler pick off of Low “Run Stiffness” Mail
- **Infeed Line Injector – by Fall Mailing 2013**
  - Adding 2 HW mods & 2 SW changes at Infeed Line for better injection into Carousel of Low “Run Stiffness” Mail to minimize flipped mail
- **Mail Stack Quality at RCT Output Tray – Ready in 2014**
  - Testing prototype insert for improve mail stack of Low “Run Stiffness” Mail

APPS Singulation Enhancement

- **Current status**
  - Design - completed
  - Drawings - completed
  - Parts - ordered & received
  - Mockup of the APPS Singulator – built
  - 4 of 16 parts fabricated

- **Next steps**
  - Finish fabrication – May
  - Assemble onto mockup – June
  - Adjust design – June
  - Assemble onto Production APPS machine – July
  - Test – July
  - Generate install manual and Finalize - July
  - Start building production quantities – August
  - Start shipping/installing – September through November

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Workgroup Updates

Workgroup Updates

- WG 155 – Communication processes and procedures during emergency situations
- WG 156 – Utilizing the Mail Optimization Matrix (MOP)
- WG 157 – Load Leveling
- UG 7 – MTEOR

Communication processes and procedures during emergency situations

Results:

- Workgroup is wrapping up & finalizing Final Report
- Reporting out in MTAC Open Session May 15, 2013
- Group had 55 participants throughout process
- Look for an updated Mail Service Update page in the future

Utilizing the MOP to identify and organize improvement opportunities

The purpose of the work group is to utilize the Mail Optimization Matrix (MOP) to identify and organize improvement opportunities for all shapes of mail with collaboration from industry and USPS. Additionally, the goal is to identify changes that would create efficiencies, reduced costs, and improve cycle time around creation, processing and delivery of mail pieces.

The workgroup consists of three subgroups: flats, letters and parcels. Each group will develop multiple MOPs based on mail flows and mail sort levels.

Primary Benefits:

•Create efficiencies : Identify opportunities to create efficiencies within mail flows by looking at preparation, drop locations, processing flows and MTE flows.

•Reduce costs: Identify ways to remove costs from the end-to-end mail flows for mailers, printers, and processors.

•Reduce cycle time: Identify opportunities to reduce and standardize cycle time by identifying non-value added steps within mail flows.

Primary Subgroups:

•Letters: Focus on mail flows of concern within letter mail, such as first class single piece commercial and 3-digit vs. SCF trays.

•Flats: Focus on mail flows of concern within flat mail, such as DSCF carrier route bundles and FSS bundles.

•Parcels: Focus on mail flows of concern within parcel mail, such as DNDC parcel drops.

Mailflow OPtimization Matrix (MOP) - Flats / DPS

		OPTIMIZATION OBJECTIVES		
	Objective -->	MINIMIZE CONTAINER HANDLINGS	MINIMIZE BUNDLE HANDLINGS	MINIMIZE PIECE HANDLINGS
	Vehicle -->	1. Increase FSS Facility Entry	2. Increase DPS/FSS Pallet Prep	3. Increase DPS Bundle Prep
FUNCTIONAL AREA OF SUPPLY CHAIN	1. Mailing Standards / BMA		(1) Change max # pallets printers can stack when loading (2) Make FSS Container Prep Required (3) Remove option to place FSS bundles on non FSS pallets	(1) Make FSS Bundle Prep Required (2) Make FSS Container Prep Required (APPS = Breakage) (3) Change STD 16oz max to align with PER Mach weight (4) Create alt. CRRT bundle prep without LOT requirement
	2. Prep Rules / Parameters	(1) Node based Presort	(1) lower pallet weight min for all Dest. Entered pallets (2) Change PER/STD mixed class comail prep rules to better incent action (3) re-optimize container prep rules for AFP process (4) node based presort	(1) Require non-compensated bundles (2) Change PER/STD mixed class comail prep rules to better incent adoption (3) Node Based Presort
	3. Price Signals within existing Structure	(1) Increase Dest entered Pound Price incentive (2) Increase Destination entered pallet Incentive (3) Decrease Non Dest. Entered pound Incentive (ad & edit)	(1) Inscrease Dest. Entered FSS Scheme Pallet incentive (2) Increase Dest Entered FSS Facility Pallet incentvie (3) Lower CRRT Bundle / 5D pallet price	
	4. Price Signals within new Structure	(1) Change STD to match PER (non ECSI related) (2) Create PER Zoned edit rate	(1) Change STD to match PER (non ECSI related) (2) Create FSS Bunlde Price that incents prep (cost based) (3) Create FSS Container Price that incents prep (cost based) (4) Create incentive for Svc Providers to increase comail	(1) Change STD to match PER (non ECSI related) (2) Create FSS Piece rate that incents prep (cost based) (3) Create incentive for service providers to increase DPV% (4) Create incentive for Svc Providers to increase comail
	5. Mail Processing / Ops	(1) Implement "DPS Prep" in FSS sites that have no bundle processing. (2) Increase Destination Facility Density (NetRat) (3) Implement AFP in NDCs to bypass ADCs downstream	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Implement AFP in NDCs to bypass ADCs downstream (3) Ensure MTE inventory meets varying demand	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Expand DPS by redeploying FSS machines (3) Expand DPS by adding new FSS capabilities (4) Expand DPS new technology (FSS2, OMS, XMS) (5) Improve APPS bundle handling to minimize bundle breakage (induction & singlation)
	6. USPS Technical / Systems	(1) Enable mail direction to direct mail by container prep (2) Shape Based Label List	(1) Enable mail direction to direct mail by container prep	(1) Increase DVP% with new process & technology
	7. Industry	(1) Lower pallet minimum parameters in presort (2) Increase comail capacity (3) Lower transportation costs (4) Lower fuel costs	(1) Minimize # of bundles by maxing prep parameters & Strengthening packaging (2) Increase comail capacity	(1) Increase DVP% with new process & technology (2) Miminize unreadable barcodes (3) Improve packaging strength

Mailflow OPtimization Matrix (MOP) - Flats / Carrier Route Flow

		OPTIMIZATION OBJECTIVES			
	Objective -->	MINIMIZE CONTAINER HANDLINGS		MINIMIZE BUNDLE HANDLINGS	MINIMIZE PIECE HANDLINGS
	Vehicle -->	1. Increase DSCF/DADC Entry	2. Incr DDU Entry	2. Increase CRRT/5D Pallet Prep	3. Increase CRRT Bundle Prep
FUNCTIONAL AREA OF SUPPLY CHAIN	1. Mailing Standards / BMA			(1) Change max # pallets printers can stack when loading (4)	(I) Change PER 20oz mach rule to align with AFSM capabilities. (2) Change PER 20oz Mach. Rule for FSS copies to align with FSS capabilities (3) Change STD 16oz max to align with PER Mach weight
	2. Prep Rules / Parameters	(1) Eliminate all preps finer than SCF but MXD CRRT/5D (2) Create CRRT/SCF pallet prep (3) Adjust presort logic order of container levels (4) Node based presort		(1) lower pallet weight min for all Dest. Entered pallets (2) node based presort (3) Eliminate 95/5 rule on 5D Scheme (4) Create new MXD CRRT bundles (New OEL needed)	(1) Lower CRRT Min for both PER and STD (2) Change PER/STD mixed class comail prep rules to better incent action (3) Node Based Presort (4) Add CRRT # in 5D address label
	3. Price Signals within existing Structure	(1) Increase Dest entered Pound Price incentive (2) Increase Destination entered pallet Incentive (3) Align Container prices with new preps above. (4) Decrease Non Dest. Entered pound Incentive (ad & edit) (5) Increase container passthrough (incr delta)		(1) Inscrease Dest. Entered CRRT/5D pallet incentive (green pallet) (2) Increase all other Dest. entered pallet prep incentive (3) Increase CRRT Bundle / CRRT_5D pallet incentive (green pallet) maybe schm 5D pallet as well (4) Increase all other bundle prep on Dest. Pallets (5) Decrease incentive for all sack preps (6) Create incentive to make larger/fewer bundles (pass through)	(1) Increase CRRT Delta between CRRT & 5D Piece Rate
	4. Price Signals within new Structure	(1) Change STD to match PER (non ECSI related) (2) Create PER Zoned edit rate (3) Create zone pound rates for STD (4) High Density CRRT incentive		(1) Change STD to match PER (non ECSI related) (2) Create new pallet price for 100% CRRT pallet (3) Create new bundle price for bundles on CRRT/5D pallet	(1) Change STD to match PER (non ECSI related) (2) Create incentive for Svc Providers to increase Comail (3) Create incentive for service providers to increase DPV%
	5. Mail Processing / Ops	(1) Increase Destination Facility Density (NetRat)		(1) Ensure MTE inventory meets varying demand (2) Improve APPS bundle handling to minimize bundle breakage (3) Improve APBS bundle handling to minimize bundle breakage (4) Implement AFP in NDCs to bypass ADCs downstream	(1) Improve APPS bundle handling to minimize bundle (2) Improve APBS bundle handling to minimize bundle (4) Implement "AFP" to min bundle breakage
	6. USPS Technical / Systems	(1) Enable mail direction to direct mail by container prep (2) Create Shape / Class Based Label List			(1) Increase DPV% with new process & technology
	7. Industry	(1) Increase comail capacity (2) Lower transportation costs (3) Lower fuel costs		(1) Minimize bundles by maxing prep parameters (2) Lower pallet minimum parameters in presort (3) Increase comail capacity	(1) Increase comail capcity / flexibility (2) Increase DVP% with new process & technology (3) Miminize unreadable barcodes (4) Stengthening packaging of bundles

Load Leveling

The purpose of the group is to review current processes for load leveling of volumes across days of week. The group will strategize on future initiatives that would meet the objectives of load leveling volumes and analyze future possible initiatives in a cost/benefit format to provide viable recommendations to the postal service.

Co-Leaders: Industry: Dale Miller USPS: Linda Malone

Desired Results:

1. Develop strategies that would facilitate the load leveling of volumes across days of the week. Include present state and future state scenarios.
2. Model the impact of each strategy on the mail owners, software vendors, logistics and transportation providers, USPS operations and mail entry.
3. Evaluate strategies for potential adoption and implementation.
4. Recommend and/or establish guidelines for the consistent and predictable collection and dissemination of information, including updates for stakeholders.
5. Gain a clearer understanding of stakeholder's expectations.
6. Identify/define potential technical or process changes that are needed by the mailing industry to accommodate the potential impact of load leveling.

MTEOR

The purpose of the user group is to identify and recommend opportunities for future enhancements to the MTEOR program.

Co-Leaders: TBD USPS: Nancy Paradice

Desired Results:

1.Gain an understanding of any MTEOR program constraints and ease of use issues through the user perspective.

2.Recommend future enhancement initiatives for the MTEOR program that will improve the user experience including communications, ease of use and reporting.

3.Determine the feasibility and timeline associated with recommended enhancements.

4.Review and build upon the recommendations from MTAC Work Group #153: “Mailer MTE Inventory Tracking and Reporting Process”.

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MTEOR Update

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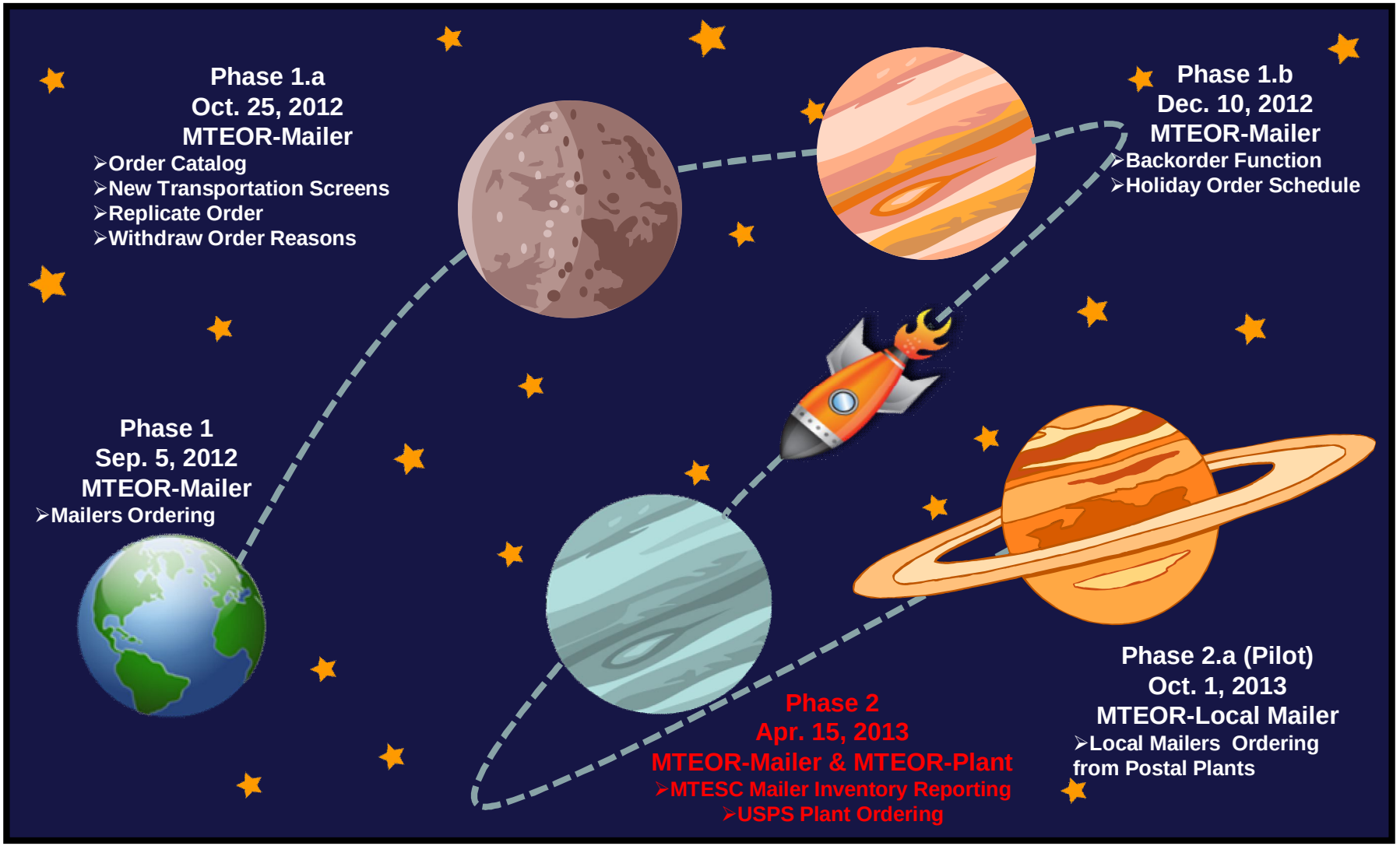
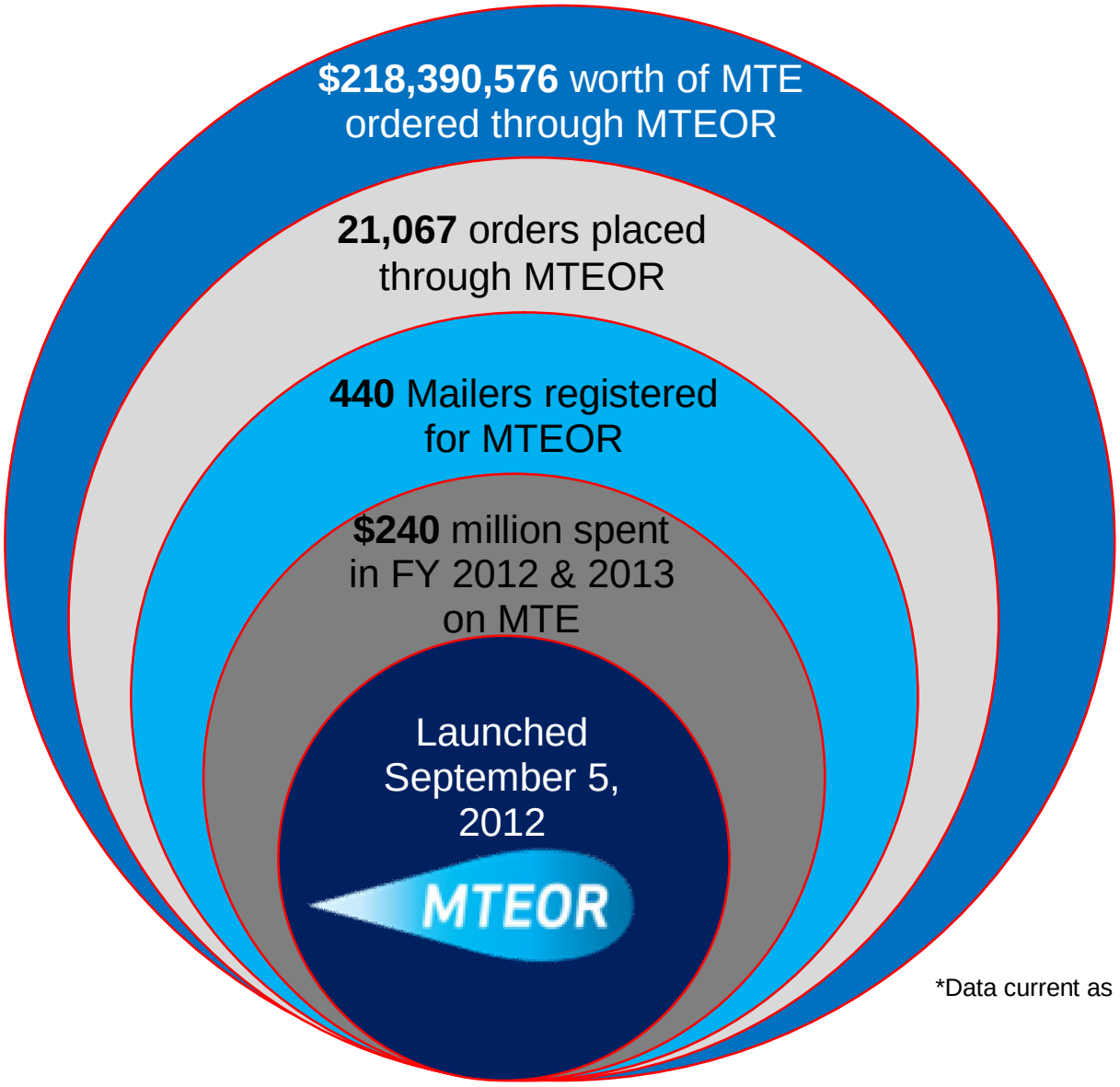
MTEOR's Path



Did you know ?



*Data current as of May 7, 2013

MTEOR Inventory Reporting

- Mailers are expected to submit a report no later than 11:59 PM (local time) on Wednesdays
  - Noncompliance will result in an inquiry by a Mailer's BSN, and may result in the suspension of METOR privileges

- Since the April 15 launch:
  - 84% of Mailers submitted at least one report
  - 53% of Mailers submitted reports for all four weeks since the launch
  - 16% of Mailers have never submitted a report

Over $46M worth of MTE is currently reported at Mailers across the country

Inventory data as of May 1, 2013

Importance of Reporting Timely

- Reporting inventory on time:
  - Allows USPS to gain visibility to better understand the location of inventory and the needs of our customers
  - Increases transparency between USPS and Mailers
  - Decreases unnecessary spending and reduces MTE cost
  - Enables Mailers to better understand their current inventory and more efficiently plan for upcoming MTE needs

MTEOR Success Story

Southern Area mailer identified excess inventory of approximately 40-50 pallets of EMM's and 40-50 APC's and requested assistance in returning the product.

The approximate value of this MTE is between $17K and $22K.

New MTEOR Enhancements

- MTEOR enhancements launching May 19 include:
  - **MTEOR Dashboard**
    - Order history will include the last 30 days of orders
  - **MTEOR Order Details**
    - Times shown will now be set to your MTESC's local time zone
    - Trip number and contract number will be visible in the details
  - **MTEOR Inventory**
    - Deactivated pallet data field for pallets so that you can only report in pieces

Phase 2.a Introduction

- Phase 2.a provides the ability to order MTE from Postal plants:
  - All Mailers will use MTEOR to request MTE
    - Existing MTEOR Mailers have the option to order directly from the MTESC or pick up from a Postal plant

- Timeline:
  - Pilot at 2-3 Postal plants beginning on October 1, 2013
  - Phased roll-out for all Mailers begins in early 2014

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Mail Prep & Entry
Steering Committee Update

Mail Prep and Entry Ideas Log

- 75 ideas submitted to date
  - 29 ideas closed
    - Out of scope, withdrawn or re-assigned
  - 11 ideas completed
    - Postal Bulletin articles and DMM revisions announced
  - 23 ideas remaining in Benefit/Effort matrix
  - 12 ideas open needing Change/Improvement template submitted or idea withdrawn

DMM Revisions

	Federal Register Proposed Rule	Federal Register Final Rule	Postal Bulletin article	DMM revision effective
Eliminate QSGs 201b, 703, 705a-f, 707a Removal of advanced mail prep and brief DMM section guides	NA	NA	10/18/12 3/21/13	**7/28/13**
DSCF Eligibility Enable DSCF price for 5D (FSS zone) pallet entry at FSS sites	NA	NA	2/21/13	4/1/13 FAST FSS entry **7/1/13**
3D/5D SCH vs. 3D/5D trays/handling units Scheme trays must be made before making any 5-digit or 3-digit trays	NA	NA	3/7/13	4/1/13

Subgroup Update – 24 oz PER

- Evaluate increasing max PER weight to 24 oz for co-mail pools
  - Reviewed specification requirements for AFSM 100 and FSS
  - Determination of more specific impacts to each machine may require testing
  - USPS currently reviewing test potential

Subgroup Update – FSS Bundle Prep

- Explore changing the FSS bundle prep standard from optional to required
  - Recommendation of the subgroup is to require FSS bundle prep
  - Impacts still under consideration
    - Container requirements
    - Small publications dropped at DDU

Next Steps

- Re-evaluate 23 ideas in Benefit/Effort matrix for potential resolution
- Decide status of remaining 12 open ideas
- Consider potential new idea submissions
- Continue periodic meetings
  - Webinars and face-to-face meetings
    - Next webinar – June 13, 2013 & July 11, 2013
    - Next on-site meeting – Aug 27, 2013

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Network Rationalization Open Discussion

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Progress to Date of Consolidations

Area	Full			Originating Only			Destinating Only			Total
	Complete	Partial	Not Started	Complete	Partial	Not Started	Complete	Partial	Not Started	
CM	**2**	**1**	**0**	**1**	**0**	**3**	**5**	**0**	**1**	13
EA	**3**	**3**	**4**	**1**	**0**	**1**	**14**	**3**	**5**	34
GL	**2**	**1**	**1**	**2**	**0**	**2**	**4**	**1**	**1**	14
NE	**1**	**0**	**3**	**1**	**0**	**2**	**4**	**1**	**2**	14
PA	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**1**	**2**	5
SA	**6**	**2**	**1**	**2**	**0**	**1**	**5**	**1**	**6**	24
WE	**11**	**2**	**12**	**3**	**0**	**8**	**0**	**0**	**3**	39
Total	25	9	23	10	0	17	32	7	20	143

67 (46.8%) of 2013 Consolidations Completed

This count assumes that all Mail Moves planned through May 6th have successfully taken place

Number of consolidations per Mail Move Plan May 3, 2013

144

Progress to Date of FY13 Mail Moves Calendar

Area	Completed to date	May 6+	June	July	August	September	TBD	Total
Capital Metro	**20**	**0**	**3**	**3**	**6**	**0**	**0**	32
Eastern	**68**	**0**	**20**	**40**	**0**	**7**	**0**	135
Great Lakes	**46**	**1**	**11**	**2**	**12**	**0**	**0**	72
Northeast	**20**	**1**	**6**	**0**	**0**	**17**	**2**	46
Pacific	**2**	**4**	**7**	**5**	**0**	**0**	**0**	18
Southern	**107**	**13**	**17**	**1**	**0**	**0**	**0**	138
Western	**91**	**0**	**49**	**43**	**4**	**16**	**0**	203
National Total	354	19	113	94	22	40	2	644

55% of Mail Moves Completed as of May 6th

This count assumes that all Mail Moves planned May 6th have successfully taken place

Number of individual moves per Mail Move Plan as of May 3, 2013

145

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Open Discussion